



American freelancers' healthcare hustle

Dispatcher: 911, what's your emergency?

Caller: America's healthcare system is broken and people are dying! (ambulance siren)

Welcome to **Code WACK!**, where we shine a light on America's callous healthcare system, how it hurts us and what we can do about it. I'm your host, **Brenda Gazzar**. This time on Code WACK!

Why are so many Americans choosing to freelance these days? And what challenges do freelancers face when it comes to accessing benefits, such as health insurance and quality health care? To find out, we spoke to **Rafael Espinal** and **Jonathan Gray** of the New York-based **Freelancers Union**. Rafael, a former New York state assemblyman and a former New York City councilman, is executive director and Jonathan is their member benefits manager. This is the forest of two episodes with the Freelancers Union.

Welcome to Code WACK! Rafael and Jonathan!

(00:49):

Espinal: Thanks for having us.

Gray: Thank you.

(00:52):

Q: I'm especially interested in this topic because I myself am a freelancer. I'm excited to learn some things today.

[\(00:58\):](#)

Espinal: We're in good company then.

[\(01:00\):](#)

Q: Right, thank you. The gig economy's on a roll. It's reported that in 2021 over 70 million Americans freelanced and that number's expected to grow to over 90 million by 2028. Why are so many Americans choosing to freelance?

[\(01:15\):](#)

Espinal: This is Raphael. I think there are two things happening. One, of course, there are more and more Americans that are making this choice. What we often see is that especially during economic recessions, people begin to rethink about how they want to structure how they bring income into their homes and lead their careers moving forward. When folks are, for example, laid off from their jobs and they're sitting at home and they have specific skills they can use, they can earn the money in the short term while they look for that next big job, they usually turn to those skills to bring money in through the gig economy and some of those workers end up doing it full-time for the rest of their lives and some do it until they find that next big job that they want to take on. Also, we've seen studies that more and more workers, especially younger generations, prefer the idea of being able to work for themselves than to work for an employer or a large company.

[\(02:06\):](#)

People want to be more autonomous. They want to be able to pick and choose when they're going to work. They want to be able to work on passion projects that they really care about and then also freelancing creates an opportunity for you to earn more money. We've had freelancers report to us that they're able to bring in a larger income outside of the traditional workspace when they're working on their own. And lastly, it's especially helpful for those who have families that they're caring for. It helps cut down on the cost of childcare and it gives them the flexibility to be able to care for their families on their own time and not have to worry about being in the office nine to five, five days a week. And I think especially because of the pandemic, you know, people are now longing for that flexibility. They got a taste of what it's like to work from home and to be able to choose their

hours. So that in itself is also driving the reason why so many Americans are turning to freelance work.

[\(02:54\)](#):

Q: So you mentioned a lot of compelling reasons why people choose to freelance, yet they can miss out on things like employer-sponsored benefits, which most Americans get through their jobs. Can you talk about the challenges freelancers face?

[\(03:06\)](#):

Espinal: Once you decide to go freelance, it really opens you up to a lot of vulnerabilities because you don't have the protections that a 9-5 job bring you, for example, unemployment insurance if you're out of work, paid leave, if you have to take time off to take care of yourself or a loved one, health insurance, which oftentimes is covered by the employer. All of these benefits start becoming an expense the freelancer has to take on their own and that means that you will have to be a lot more nimble and smarter of how you're going to be using your income to create this social safety net for yourself.

Freelancers Union, for example, tries to do that work for freelancers. That way they can come into one space and be able to have access to all of the resources they need to have a fruitful career in freelancing, but also the protections they need to ensure that they're protecting themselves and their freelance business.

[\(03:53\)](#):

Q: What is the Freelancers Union and why was it founded?

Espinal: Freelancers Union was founded 25 years ago with the idea of creating an organization in which freelancers can come together under one umbrella and create a unified voice to be able to demand protections that they need in order to have a fruitful career in freelancing. Because what we know is that, you know, once you decide to go freelancing, you don't have the proper protections you need in order to ensure that you're able to have a career with dignity and also have the protections you need in case you fall into hard times. For example, there are no wage protections once you take on work and you decide to invoice a client. There are many times in which freelancers face client non-payment so they put in weeks or months into a project, expect to receive thousands of dollars for that work. There are many times in which they are stiffed.

[\(04:43\)](#):

Q: The pandemic must have had a devastating effect on freelancers. Tell us about that.

[\(04:47\)](#):

Espinal: I would say that the pandemic was the biggest financial crisis the freelance workforce has seen in modern history and it had a lot to do with the fact that there weren't any social safety net protections put in place to support a workforce that was out of work because of city and state mandated shutdowns. We saw freelancers lose more than half of their client base and when you're a freelancer, because you don't have unemployment insurance, there really is nowhere else you can turn to to recuperate that income so that you're able to pay your rent, pay utilities, and put food on the table. So one of the first things we did as an organization was create a list of demands of what our federal government needs to do to ensure that all freelancers have access to funding to be able to weather the weeks or months that these shutdowns were put in place.

[\(05:34\)](#):

So we all remember there was a program called Pandemic Unemployment Assistance, the PUA, that for the first time in our country's history allowed for independent workers to apply for unemployment insurance. There was also the PPP loans, the paycheck protection loans that would normally would've just been a program available to brick-and-mortar small businesses or larger companies where we advocated for them to include the individual freelancer as well to apply for that small business program and they were able to get funding through there as well. So the pandemic created a lot of challenges, but I think mostly it was the challenge of freelancers having to figure out where they're going to get income to be able to deal with the cost of living through the shutdowns.

[\(06:14\)](#):

Q: *Is the Freelancers Union a certified union?*

[\(06:16\)](#):

Espinal: We are not a certified union. Freelancers were excluded from the National Labor Relations Act, which created the NLRB and where workers can petition to create a union within the workforce. So independent workers were left out of that process and because of that, they don't really have the power to unionize under an employer or under their industry. So we as an organization thought that the novel approach is to create an organization in which freelancers

can become a member of and in that way we're able to lift their voices and advocate for their needs as a unified voice.

[\(06:49\)](#):

Gray: And just to chime in, this is Jonathan. One thing to add, I think it's great that our membership is free, so you get a lot of these services for free just because you are a freelancer and that was one of the biggest things we wanted when it came to freelancers. ... We wanted to make membership free. Because we understand that, you know, everything's expensive, especially now with inflation.

[\(07:09\)](#):

I actually recently signed up on your website. I put my name and email address in. So I think I'm a member technically.

[\(07:16\)](#):

Espinal: You are. Welcome.

[\(07:17\)](#):

Q: Thank you. Tell us more about your advocacy work with people in the gig economy.

[\(07:21\)](#):

Espinal: We are currently looking at what are the needs of freelancers, and I think we know what that is and that's again, expanding the social safety net so that freelancers are paid on time so that freelancers have access to affordable health insurance, that they have programs like Paid Leave, for example, available to them. So over the years we have been successful in some of those fronts, but moving forward we're looking at how do we create a national paid leave model so that freelancers across all 50 states can take 12 weeks if they are planning to have a family, (or) they take care of a sick loved one. We're looking at how do we create an unemployment insurance model, you know, we were able to do it through PUA, through the pandemic. There's no reason that program cannot stay permanent moving forward. You know, if you're for some reason out of work and you need a few weeks in order to find your next client, that unemployment insurance will be there to help you get through those days, for example. So the idea is how do we create a benefits system for all workers? Benefits should not be exclusive only to the traditional 9 -5 employee. They should be available to all Americans.

(08:22):

Q: Wow. Do you know how it works in other countries? Do they have protections in place for freelancers?

(08:27):

Espinal: Well, I would say that we in New York City, when we passed the Freelance Is Not Free Act, which gave freelancers payment protections from client non-payment, we became the first country in the world that instituted such a law and program. But I think it's fair to say that when you look at the social programs other countries have, they're definitely favorable to freelancers. For example, if you're in Europe or you're in Canada, there is a single-payer healthcare system so you don't have to worry about where your healthcare is coming from. Here in America, I think Jonathan can tell you, you're paying hundreds of dollars a month just to get basic coverage and oftentimes even with that coverage, you're stuck with a bill of thousands of dollars if you have to get a procedure done.

(09:07):

Q: That leads us to our next question. What challenges do freelancers have in accessing quality health insurance and quality health care?

(09:15):

Gray: This is Jonathan. Let's face it. When you are with an employer, you get an employee sponsored plan that gives you richer benefits. But once you decide to freelance and you go individual, we realize there's a bunch more restrictions. Plans are more restricted, the networks are more restricted, and the plan is more expensive now because you don't have that employer benefits where it's split.

So I see that as a challenge for a lot of freelancers where now once you go freelance, it's like, I got to look at new carriers, I got to look at new doctors. I got to look at everything from fresh eyes. And what happens if you have that doctor you like, especially for women, they may have the OB/GYN that they like, that's their favorite OB/GYN they've been going to forever, now I cannot go. So I think that's the biggest challenge – the network and providers for independent workers.

(10:00):

Espinal: Yeah, and I want to stress what Jonathan just said. This is Raphael. There are doctors and there are clinics that do not take insurance from individual plans from freelancers because they feel that those plans don't have the same protections or support from a larger employer. I guess to make that more simpler,

it's very likely that a freelancer is not able to pay their next month's coverage and in that lapse, the doctor will lose collecting the funds from the procedure they might have performed on you. If they take ... an employer-backed plan, I think there's more assurance that the employer is going to pay for the health coverage. So there's these disparities you start running into as a freelancer as well. So you might be covered, but there might be doctors that you prefer that no longer want to serve you because they don't feel comfortable in the idea that you'll be able to continue paying your health insurance in the future.

[\(10:49\)](#):

Q: Wow. So interesting. Do you guys happen to know of any anecdotes or stories of freelancers that you can share that illustrate this?

[\(10:56\)](#):

Espinal: There was a woman who was receiving cancer care at a major hospital in New York, and she was a freelancer, and when she was receiving treatment at a certain clinic, the doctors there did not want to take her on as a patient simply because she was on this individual-based plan and they denied her care for that single reason. But if she would've had an employer-based plan, she would've been free to visit that same doctor who she felt would've given her the better cancer care and treatment. So she felt locked out of the system. She felt it was unfair, and I hope she's better now, but it was definitely, I think, a point of stress for her. It really put her in a negative mindset of whether or not she was going to get the proper care she needed to fight the cancer.

[\(11:35\)](#):

Q: So it sounds like a much smaller percentage of doctors, hospitals and clinics accept people with individual health plans. Is that right?

[\(11:42\)](#):

Gray: Yes. Yes. So this is Jonathan. So like, for instance, you're in California, so let's say like, for example, Blue Cross Blue Shield of California, they have different networks. So they have their blue card network, and then they may have a little, you know, dumbed down network where they take (inaudible). That's what ends up happening. So a lot of people go in with the mindset, 'oh, I have Blue Cross Blue Shield in California, I should be covered.' But once you get to the doctor, they're like, yeah, we take that, but we don't take your network. So that's a lot of the challenge that we see. A lot of the independent records face.

(12:16):

Espinal: This is Raphael and we believe that there should be more laws or there should be more regulations on a federal level that goes after the disparity. You know, we don't think it's fair that simply because you are on an individual plan that you should be locked out of certain types of coverage or certain types of clinics that an employer based backed plan has.

That's definitely a point of concern for folks who would like to go freelance. And again, just talk about what other countries have in place. I mean, that's not something folks in Canada or in Europe have to think about. You know, if they want to freelance, they'll know that they'll get the same health coverage that they would whether or not they're working individually or working with the company.

(12:59):

Thank you Rafael Espinal and Jonathan Gray from the Freelancers Union for explaining the special problems freelancers face with health insurance and health care, including disparities between employer-sponsored insurance and individual plans, coverage lapses and provider network limitations. So how can we fix this? Sounds like a job for Medicare for All. In the next podcast we'll continue our discussion about how single-payer, Medicare for All would benefit America's growing freelance sector.

Do you have a personal story you'd like to share about our 'wack' healthcare system? Contact us through our website at heal-ca.org.

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