

BARGAINING IN AN ERA OF HEALTH CARE REFORM

Why is promoting health care reform in our interests?

1. The current system is financially sustainable.
 - Employers will continue to whittle down our benefits until, like much of the private sector, they no longer resemble what we now have and will dramatically shift costs to our members.
 - Rapidly increasing insurance costs will further jeopardize your early retirement benefits **which are normally linked to the benefits of active employees.** (Don't fall prey to the false hope: "If we can only sustain the status quo until I retire.").
 - Growing legions of uninsured threaten to add significant costs to the premiums of those who remain insured. Currently those costs are about \$1,000 per year.
 - As private sector employers continue shedding their benefits, we see the burden of health care costs being disproportionately borne by unionized public sector employees. Just a few years ago, these costs were borne equally by spousal plans. Now we see that spouses in the private sector often opt out of costly poor coverage placing the entire burden on the insurer of public sector workers.
 - Political target: The same private sector employers shedding their benefits belong to Associations that target public sector unions for their "Cadillac benefits".
 - Do we join or oppose growing public support for health care reform? 22 recent referenda on the ballot last fall passed with overwhelming margins. Do we want to be aligned with the status quo, or be perceived as leading the effort for health care reform?
 - If we are not perceived as playing a leadership role in reform, what influence can we expect have on such reform on important issues like maintaining our collective bargaining rights?

(Over)

WEAC Health Care Reform 2009

2. **Arguments that allay our members' fears of embracing reform (with the possible exception of what the Governor recently suggested).**
- Health insurance **benefits remain a mandatory subject of bargaining.**
 - Employee premium shares, deductibles and other plan features are mandatory subjects of bargaining and **like WRS contributions the employee's share of such costs can be picked by employers.**
 - **We lower costs** through the competition offered through a government plans (Obama), take much of the cost of the uninsured and underinsured out of our premiums, and reduce the cost of health care to our employers - so the more money can be spent on salaries.
 - **Cost savings** on a unit of 300 members under Healthy Wisconsin were \$2,000,000 per year. In most of your contracts this amount would go a long way in lifting salaries at all levels.
 - **The Obama plan allows you to keep the plan you have if you prefer it** but offers a public plan that both reduces costs of the uninsured and underinsured and shifts costs back to the private sector employers that have been shedding benefits.
 - **We align ourselves with public sentiment** and to the extent we are seen as promoting broader reform we change the perception from one of an organization primarily focused on self-interest, to one that is seen as being in the vanguard of the public's interest.
 - **We increase the eligibility of our own members for coverage.** Currently ESP members are losing benefits all together due to cost and contractual eligibility requirements. These employees can form the internal comparables that in interest arbitration can be afforded great weight when seeking significant concessions from teachers.