

CWA's Health Care Reform Priorities

The health care system isn't working for CWA workers, retirees or employers. In recent years, our wage increases have slowed and our benefit plans have shrunk to offset rising health care costs. Workers and retirees are paying more and getting less.

The health care problem is too big to solve at the bargaining table. CWA has negotiated good benefits with most of our employers. But most of our competitors do not offer such good benefits, giving them a huge competitive advantage. In bargaining, management argues that benefits must be cut to compete with low-road companies. Instead, all employers should be required to provide good benefits, raising everyone's standard of living.

Rising health costs are not caused by our employers. There are many reasons that health costs are skyrocketing – huge profits of insurance and drug companies; the high administrative costs of private health insurance; the costs of new drugs and technology keeps rising; unnecessary treatments and rising rates of costly chronic diseases, such as diabetes and heart conditions. But these problems can't be fixed at the bargaining table. The whole health care system needs fixing.

We Need a System Everyone Can Count On, Like President Obama Proposes

1. Protect the good health care benefits we have negotiated

- **Keep what we have:** Health care reform should let workers with good health care coverage keep the coverage we have now. It should not force us to change plans nor result in a benefit cut.
- **No tax increase:** The middle class should not pay taxes on health benefits we now get tax free. That's not health care reform – that's a tax increase!
- **Help for early retirees:**
 - Benefits for retirees negotiated with employers are not guaranteed. Unlike wages and benefits for active members, there is no law requiring employers to bargain over retiree health benefits.
 - Large firms offering retiree health care benefits have declined from 66% in 1988 to 33% in 2007.
 - Many workers lose their job or retire before the age of 65 because of layoffs, medical conditions or because their union negotiated early retirement options. Reform must guarantee that they get quality affordable coverage like everyone else, including the possibility that they could join the Medicare program early.

2. All employers must contribute

- **To achieve health care for all:** All employers must either provide good health coverage for their employees or contribute to a public trust that would pay for their employees' coverage. This will provide much of the financing needed to cover everyone.

- **To stop corporate freeloaders:** CWA's employers' plans cover spouses and dependents who are employed elsewhere. Some of those plans could save up to 20% of their costs if all employers had to contribute to their workers' coverage. That's money that can be used to fund investments in plants, equipment, and jobs. A system that allows some employers to freeload on others is unfair and cannot survive, especially in the global marketplace.

3. A public health insurance plan, like Medicare, should be an option

- **Obama proposes it:** Obama would create a national health insurance exchange in which individuals and *small* businesses would have the option of buying coverage from either a public health insurance plan (if you are under 65) or from private insurance plans. CWA wants to expand this option so that it is also available to large employers. If you lose your job or lose your current health care coverage for any reason, you would always be covered because the public health insurance plan would be a guaranteed backup.
- **Controls costs and saves money:** Public health insurance plans control costs much better than private insurance. Studies find that public insurance plans spend 2% on administrative costs, compared with 12% or more for private insurance. Public health insurance plans also use their much larger purchasing power to negotiate lower costs for health care services and drugs.
- **Need an alternative to private insurers:** Competition between a public health insurance plan and private health insurance plans will give consumers more choice and promote more efficient and cost effective delivery of care.

4. Government protections to prevent insurance company abuses

- **Need strong rules:** The government needs to set and enforce the rules by which private health insurance companies operate so that they put our health care before their profits. We should not be left at the mercy of the same private insurance companies that have gotten our health care system into such a mess. Congress should listen to voters, not to insurance companies.
- **Examples of needed rules:** Require insurance companies to offer coverage to everyone without regard to whether someone is too much of a health risk or has a preexisting condition (**guaranteed issue**); **community rating** so that rates are not based on health status, age, race, gender or occupation; and **guaranteed renewability** of an insurance policy so you can't be dropped because you require too much costly treatment.

5. Control costs without compromising quality

- **Public insurance plan will lower costs:** Competition between private and public health insurance plans will help lower costs and improve quality as both types of plans compete on a level playing field.
- **Reduce bureaucracy and paperwork:** Reform should streamline bureaucracy and reduce the high overhead costs and profits required of our complicated private insurance system.
- **Cost effectiveness:** Promoting disease prevention will reduce spending on costly illnesses. Providers should be paid based on whether evidence shows that a treatment is necessary and cost effective. Coordinated care systems are needed to better manage treatment, especially for those with costly chronic conditions.