

UE's General Executive Board Weighs In on Washington Healthcare Proposals

Meeting at the union's national headquarters in Pittsburgh on May 14-15, UE's General Executive Board discussed the national debate on healthcare and the reform proposals now being considered by Congress and the Obama administration. The union's national leadership board adopted the following statement on healthcare reform:

GEB STATEMENT ON HEALTHCARE

May 15, 2009

At least since the 1940s, UE has actively supported proposals to provide healthcare coverage to all in the U.S. through a national public health insurance plan, instead of private for-profit insurance. Our position was restated in the UE Policy resolution adopted at the 2007 convention, "Healthcare for All." At the national level and in UE communities across the country, UE has been an outspoken advocate of the "single-payer", Medicare-for-all solution embodied in HR 676, whose primary sponsor is Rep. John Conyers (D-MI.) In the current Congress, HR 676 has 75 House co-sponsors in addition to Conyers, and Sen. Bernie Sanders (I-VT) has introduced a Senate version of the bill. HR 676 has been endorsed by 516 union organizations in 49 states including 125 central labor councils and 39 AFL-CIO state federations.

For the first time in decades, the country has a presidential administration and a Congress that are working for a major overhaul of the U.S. healthcare system. While we are disappointed that the broadly-outlined plan under consideration by the Obama administration and the Congressional leadership is not single payer, we note that it does include the creation of a public health insurance system. We welcome the national discussion of the need for an alternative to profit-driven health insurance.

Millions of workers and their families face a desperate situation, paying up to half their income for healthcare. Runaway medical costs have been the cause of half the personal bankruptcies in the U.S. in recent years. The healthcare cost crisis pushes municipalities, school districts and private employers to the brink financial collapse and exacerbates the economic crisis in many ways.

The costs of maintaining a private, for-profit health insurance industry impose an enormous burden and competitive disadvantage on U.S. businesses. Nonetheless, blinded by some combination of "free market" ideological rigidity and capitalist class solidarity with the insurance executives, the Chamber of Commerce, National Association of Manufacturers, National Federation of Independent Business, and almost every employer continue to oppose a single-payer plan that would drastically reduce their costs. These business interests strenuously object to creating even

a strong public plan in competition with private insurers, despite the fact that this would almost certainly bring down employers' costs.

Even a limited public plan, set up in competition with private insurers, would have a major cost-reducing effect on the American healthcare system. Studies show that because they have much lower administrative costs, get larger volume discounts for health services, and do not include profit margins, public healthcare plans such as Medicare are able to offer premiums that are 20 to 30 percent lower than those of private plans.

Most of the plans being advocated by President Obama and leading Congressional Democrats continue to rely on employer-paid health insurance through for-profit insurance companies, but also offer a public health insurance option similar to Medicare. Since the likelihood is growing that such a proposal may be adopted, we need to spell out what provisions would be acceptable to our union in such a plan, and what we would find unacceptable.

* A public plan must be open to all workers and their families, and all employers must have the option of insuring their employees through the public plan rather than private insurance. This will allow more workers to share in the benefits of lower-cost public healthcare, and the savings to employers from the public plan will remove a major incentive for corporations to move jobs overseas.

* Premiums for the public plan must be indexed to income and affordable for working class people. We oppose any effort to force the public plan to charge artificially high premiums for the purpose of bailing out the private insurance companies. If the private insurers cannot compete with a public plan on a level playing field, perhaps they should get out of the healthcare business.

* A public plan must have the ability to bargain with providers over rates for services, and over prescription drug prices. Such bargaining would be one of the public plan's most powerful tools for bringing down healthcare costs overall.

* We reject the inclusion of "user fees" such as co-pays, deductibles, and out-of-pocket expenses in a public plan. Those who need care should not be penalized and forced to pay more than those who are healthy.

* We oppose any effort to contract out the administration of the public plan to private profiteers. This would be a waste of resources that should go into providing healthcare, diverting some of those resources instead into cultivating a new crop of millionaires and billionaires. Such privatization would put people in charge of the public plan whose motives are in opposition to the public good.

* If we are to have a system where a public plan competes with private insurance companies, consumers

must be empowered to choose their coverage by evaluating objective information on the merits of each plan. Marketing must be strictly limited; companies should not be trying to lure customers through costly advertising campaigns, nor such gimmicks as paying to name sports arenas after themselves.

* Another measure that would help to reduce the country's healthcare costs is a ban on advertising of prescription drugs. Doctors should prescribe medications on the basis of their evaluation of the patient's medical needs, not because the patient demands a particular brand-name drug after being brainwashed through repeated exposure to costly TV ads from a pharmaceutical company.

* Proposals being considered by Congress call for assigning uninsured individuals to a "pool" or "exchange," in which they could choose coverage by the public plan or from several private plans. In such a system, those who fail to choose a specific plan should be enrolled in the public plan. This will help to give the public plan a broad range of risk, and help ensure continuity of care and coverage for those individuals.

* Private health insurers must be strictly regulated. Both the public and private plans must be required to accept anyone who seeks coverage, and must provide a full range of basic health coverage (hospital care, physician services, prescription drugs, substance abuse and mental health services, and dental care.) Private plans must also be prohibited from imposing excessive deductibles, co-pays and other out-of-pocket costs.

* We are opposed to financing healthcare reform by taxing workers' employer-paid health insurance benefits as if these benefits were "income." Revenues needed to finance the program and cover those now uninsured should come from taxes on the wealthy and corporations, and in particular from those who have profited most from the inequalities of the current healthcare system: the health insurance companies, pharmaceuticals, and for-profit hospital chains.

* We oppose any individual or collective mandates that would force people to buy private health insurance. The failed Massachusetts plan has already shown that this is unjust and unworkable. It amounts to a tax on workers to subsidize the profits of the private health insurance companies - an outrageous case of "Robin Hood in reverse."

Labor must lead this fight. Workers create the wealth that finances the system, and workers provide the services. Union activists and negotiators understand better than anyone the many tricks used by insurance companies to squeeze ever more money out of both employers and workers, because we fight against these tactics in every round of contract negotiations. Unions need to apply our experience and our skills to negotiating, for the entire country, the best possible healthcare reform legislation, rather than passively sitting by and waiting to accept whatever Congress comes up with.

We encourage all UE locals, regions, and members to:

1. Continue to put forward single-payer national health insurance as the most comprehensive and simplest path to universal and affordable healthcare.
2. Demand that single payer be the benchmark by which Congress and the administration measures all other proposals. We need to demand that single payer be on the table and that single-payer advocates be included in all hearings and discussions, by Congressional committees and the administration, leading to the enactment of legislation
3. Participate in the upcoming May 30 - June 4 Healthcare Action Week.
4. Work with all advocates of public health insurance (both in the single-payer movement and among advocates for inclusion of a public "option" in a more modest reform plan) to build a united front that demands that healthcare legislation voted by Congress include a public, not-for-profit plan, open to all, that is structured to provide comprehensive healthcare at the lowest possible cost.