

## Nurses' Guide to Single Payer Reform

### MNA will join thousands of workers for Health Care Action Day on June 5

A coalition of health care, labor and consumer advocates, including the MNA, is organizing a "Health Care Action Day" on June 6 to advocate for universal health care reform.

One of the biggest problems facing employers and workers is double-digit increases in the cost of health insurance premiums. In the vast majority of workplaces that are non-union, the burden of medical cost inflation gets shifted from management to workers unilaterally, causing financial pain for wage earners but little pain for their employers. Payroll deductions for premium contributions and out-of-pocket payments for treatment are increased whether workers like it or not because, without a union, workers lack any say in the matter.

For the few workers lucky enough to be united in a union, bargaining with employers over this issue has become as difficult as it was during the late 1980s and early 1990s, when insurance premiums rose by similar amounts.

In the last 18 months, state workers, school teachers, janitors, manufacturing workers, food processors, and truck builders have all been involved in health care-related strikes or lock-outs. The most high-profile dispute was when 18,000 employees of General Electric walked out for two days last January over that company's decision to unilaterally raise premiums. Later this summer, major regional or national contracts in the telephone and auto industries will be up for re-negotiation. If management tries to reduce employer-paid coverage for the hundreds of thousands of workers and retirees at GE, GM, Chrysler, Ford, Verizon, and Quest, even bigger confrontations lie ahead.

#### The link to health care reform

How workers respond to this bargaining challenge has important implications for the future of health care reform. The actions of organized labor – on the job, at the negotiating table, and, where necessary, on the picket line – can become a popular rallying point for people ill-served by our current system of private, job-based medical benefits. The struggle over "who pays" for health care is

also an opportunity for unions to show leadership to the non-union majority of working people.

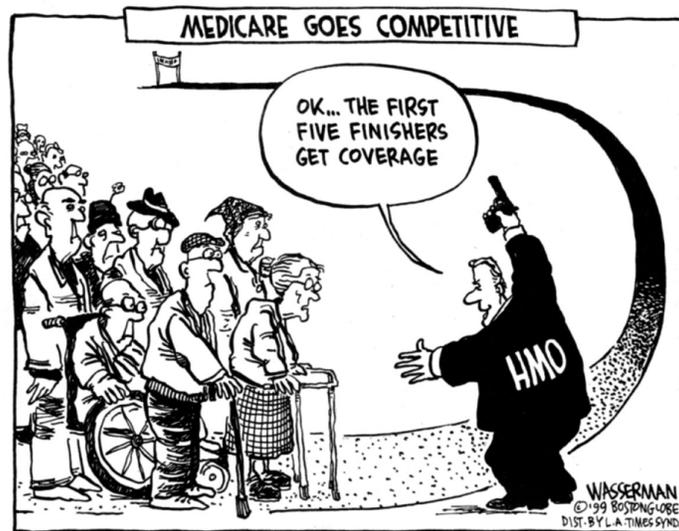
Showing strong resistance to cuts in benefits and services motivates politically powerful employers to support reforms that would lead to a publicly-financed health care plan that covered everyone and had the clout to control costs by reducing bureaucratic waste and inefficiency. However, if workers don't link their resistance with the fight for broad health care reforms that benefit everyone, we risk being seen as part of the problem. By resisting health care contract concessions with a broad demand for "health care for all," union members can help create pressure for a political solution to the problem now confronting millions: how to secure and maintain access to affordable care.

In the 1990s, most firms (and many union-sponsored health and welfare funds) resorted to a quick fix called "managed care" which included cost saving limits on employees'

choice of doctors, hospitals, or treatment options. Now managed care is no longer able to restrain health care costs and premium increases are expected to average 15 percent this year. Once again, management wants labor to foot the bill or get by with fewer benefits.

Thousands of retirees who thought they had health care coverage for the rest of their lives have since lost that coverage, particularly among companies who blame such "legacy costs" for landing them in or near Chapter 11. Twenty-five years ago, more than 80 percent of all medium- and large-sized firms offered medical benefits to their pensioners. Now only 40 percent do – and one-fifth of those firms have eliminated such benefits for new hires. More than 2 million seniors have also recently been tossed out of their HMO plans.

The political challenge facing union members today is how to broaden the defense of negotiated benefits, for both active and retired



Reprinted with permission of Dan Wasserman and The Boston Globe



workers, when a record number of Americans – as many as 75 million at some point during the last two years – have no coverage at all.

#### How you can help

Health Care Action Day is a way for union members, retirees, and health care reform supporters to help frame the struggle against cost shifting broadly, so that it won't be viewed as just another special interest fight against give-backs by workers who already enjoy better-than-average coverage. By linking our resistance to larger political demands (i.e. "Health Care for All... Not cuts in benefits or services"), the fight against concessions has the potential for attracting broad community support and building a powerful movement for real health care reform.

Advocating for universal health care reform will energize our movement and help give a voice to working people who show their support for a plan that covers everyone, saves money by eliminating bureaucratic inefficiency, and is publicly financed.

Getting as many people as possible to take action on the same day will give working people an opportunity to show their support for universal coverage and to increase pressure on employers and the state for immediate action.

To become part of Health Care Action Day contact Tiffany Skogstrom at Jobs for Justice by calling 617-524-8778 or send an e-mail message to [skogstrom@earthlink.net](mailto:skogstrom@earthlink.net). ■

## The Mass. Campaign for Single Payer Health Care: What is single payer?

"Single payer" is the term used for the most simple and inexpensive way of paying for health care.

All the money now being spent on health care would be collected by a public agency and paid to all health care providers.

Currently, there are hundreds of insurance companies with thousands of health plans, co-pays, deductibles, out-of-pocket costs, employer paid health benefits, Medicare, Medicaid, worker's compensation, automobile medical coverage, etc. America has a very expensive and inefficient multi-payer system, and it is much more costly than health care in any other country in the world.

While these other countries provide health care to all its' residents, the U.S. has 43 million people with no health coverage. Essentially, we pay more and get less.

#### Why is single payer less expensive?

The single payer system is less expensive because, with a multi-payer system, each insurance company and payment source needs to be billed. Each insurance plan needs to be analyzed to check if a procedure is covered. Each company also pays its CEOs and top administrators large salaries. They pay for advertising, marketing, lobbying and other wasteful administrative costs.

At the same time, each doctor, hospital, nursing home or pharmacy needs to hire legions of billers, plan analysts and reviewers to accommodate the multiple payers. In addition, each employer offering health benefits needs to expand its human resource department to spend time negotiating with a multitude of insurance plans for rates and coverage.

It is estimated by many national and local studies that up to 60 percent of administrative costs would be saved if a single-payer system were implemented. Two studies commissioned by the Massachusetts Medical Society in 1998 found that under a single-payer system, enough money would be saved in Massachusetts to enable the state to provide comprehensive health coverage to all residents.

#### How would the public agency collect the money?

This depends on the legislation and negotiations that will take place in the Statehouse. MASS-CARE supports a bill called the "Massachusetts Health Care Trust Fund," S.599/H.2165. Currently a bill to create an advisory committee to consider these ques-

tions has been passed by the Joint Health Care Committee.

Much work needs to be done to determine the best and fairest way to collect the billions of dollars now being spent on health care in Massachusetts and to eliminate legal barriers to the bill.

Instead of paying for health care through employers or from out of pocket, we may find it better to substitute a health premium formula or tax that reflects current spending.

Perhaps a public insurance fund could be created to collect current premiums on a fair basis. Or perhaps a plan similar to the Social Security tax could be instituted. Whatever is eventually decided, the method would replace, not add to, the health care dollars currently being spent. It would also lower the total amount currently being spent. ■