UNIONS

Labor's health cares

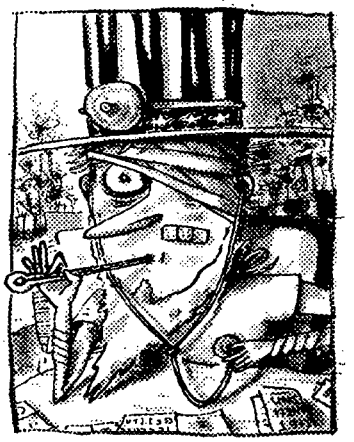
Unions have moved toward a version of managed competition that some hope will approximate the Canadian system.

By David Moberg

Until recently, labor unions all agreed there was a desperate need for health care reform but were divided on strategy. Most of the big industrial and public employee unions favored a unified "single payer" health insurance system as in Canada. Many others, including leaders of the AFL-CIO, advocated the "pay-or-play" model that would have compelled employers to provide health insurance or pay taxes into a public plan.

But now, with the Clinton administration committed to a version of "managed competition," pay-or-play has disappeared as an option, and the labor movement has moved toward a version of managed competition that some hope will approximate the Canadian system.

A few unions—like the Communications Workers (CWA), Clothing and Textile Workers (ACTWU), Teamsters, Oil, Chemical and Atomic Workers (OCAW), Ladies Garment Workers (ILGWU), United Electrical Workers (UE) and United Mine Workers (UMW)—remain strong proponents of a single-payer system. Even though they admit that Clinton's plan is likely to be the cornerstone of any eventual health care reform, they argue that organizing grass-roots pressure and congressional support for a single-payer system is the best way to influence the Clinton administration. In late March, some of these unions joined with Citizen Action and other groups to deliver nearly a million postcards to Vice President Al Gore supporting Canadian-style national health insurance. A single-payer system is the only type of health reform that can claim strong grass-roots support, especially in union ranks.



Some important early advocates of the Canadian-style single-payer system, especially the United Auto Workers (UAW) and the American Federation of State, County and Municipal Employees (AFSCME), remain committed in principle to the single-payer model but have rejected the strategy of citizen pressure on Clinton. They're betting on insider lobbying to shape the eventual administration plan. In Ohio, AFSCME angered many labor allies early this year by swinging a coalition for a statewide single-payer bill over to a managed-competition alternative.

The unions that last year backed a pay-or-play system have now moved to the left by endorsing a tax-based universal health plan with strong administrative price controls. At a recent meeting of the AFL-CIO executive council, AFL-CIO President Lane Kirkland reportedly said that the federation is now advocating the functional equivalent of a single-payer system. But eliminating private insurance companies, as in Canada, is "a battle that doesn't appear to be winnable at this time," one single-payer union staffer concludes.

"We're pleased with the direction [the administration's health plan] seems to be going," says ILGWU Vice-President Susan Cowell. "It seems to be getting stronger, rather than weaker. They're looking at a more comprehensive, universal system than we'd thought. We're optimistic. That feeling is common around the single-payer community."

Alan Reuther, the UAW's legislative director, says his union is backing universal access (breaking the link between employment and health care), cost control (an enforceable budget and unified delivery system) and tax-based financing that will level the playing field for all employers. The AFL-

CIO executive council unanimously endorsed similar principles in February. "You look at those elements," he says, "and that's single-payer. The administration won't call it that, but in substance that will come out."

Some union advocates believe the health insurance purchasing cooperatives (HIPCs) that are the central insurance purchaser in managed competition may take the form of statewide single-payer plans in states where there are few health maintenance organizations (HMOs).

Yet until the Clinton's reform plan is unveiled, no union will commit itself to backing the president. Beyond the broadest principles, unions seem especially concerned about the following issues:

•They know they can't sell their members on any plan that will diminish the scope and quality of insurance they now have or tax them for benefits in excess of some basic package, a key precept of the market-oriented managed competition. Labor wants the choice among competing plans to be made on the basis of services offered rather than price. Unions argue that HIPCs can use their monopoly powers to control prices.

•Unions believe no companies should be allowed to opt out of the system. General Motors, for example, should not be able to establish its own HIPC. Unions fear this will reintroduce cost-shifting and fragmentation of community sharing of risk as well as encourage downward pressure on levels of benefits. Most unions want health care to be egalitarian and inclusive, to break the link between employment and insurance and to remove health care from collective bargaining. Nevertheless, some unions still want to be able to negotiate supplemental benefits as a way to give members a rationale to belong to their union. And the building trades and other unions that have negotiated multi-employer trust funds that provide insurance to members want to preserve a role for those funds, which incidentally provide many union staff jobs.

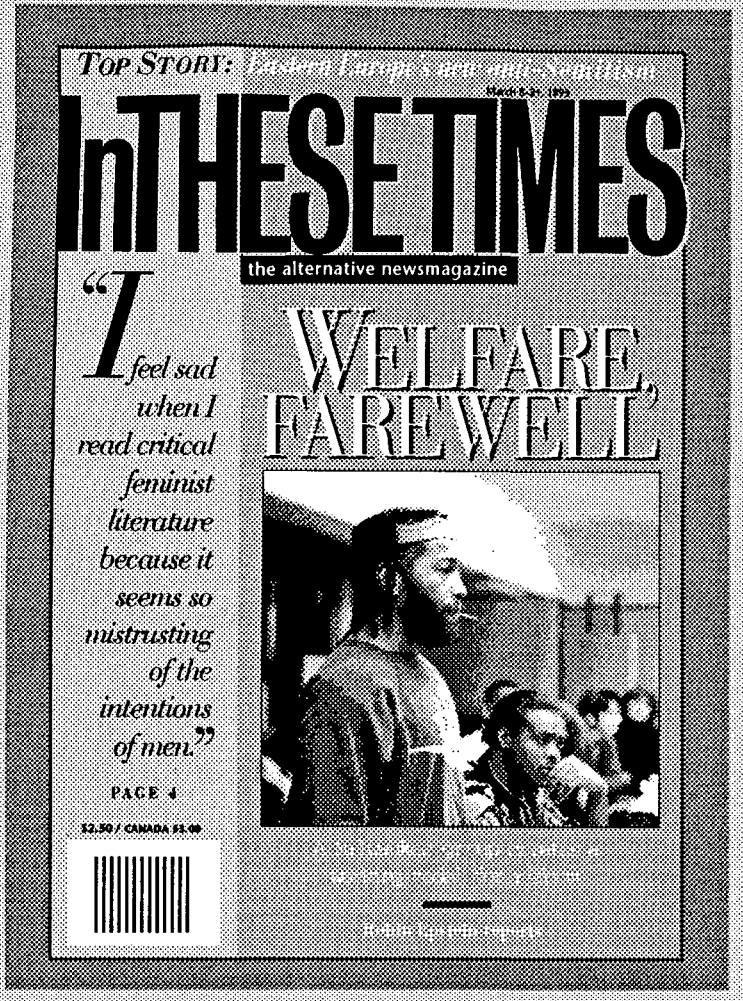
•Many companies, especially old-line manufacturing firms that have drastically cut employment, now find themselves overloaded with retirees. A new accounting rule requires them to charge those liabilities on a current basis rather than defer them, thus diminishing current profits. As a result, companies are trying to cut retiree health benefits, an issue that UAW President Owen Bieber warns could provoke a strike in this fall's auto industry bargaining. If Medicare were incorporated into the new system, these problems could be minimized.

•Financing the new plan will be critical. A payroll tax is likely, but not at a rate high enough to cover the full cost. The single-payer bill introduced by Sen. Paul Wellstone (D-MN) and Rep. Jim McDermott (D-WA) would also rely on income taxes. Yet the administration and congressional Democrats are reluctant to raise income taxes further. Despite labor's preference for a progressive income tax, the AFL-CIO Executive Council's health care committee authorized Kirkland to discuss financing health care in part with a value-added tax (VAT), a sort of national sales tax common in Western Europe. Some union leaders strongly oppose a VAT as regressive, and even those who support it say that it would be acceptable only as part of a very strong package. Reuther, for example, argues that a VAT dedicated only to health care may be acceptable because it would be less regressive than the present system—especially if the spending on health care is relatively progressive, as with Social Security. It would also help the balance of trade because imports would pay a VAT, but exports would be exempted.

Despite labor's optimism, union leaders know health care is a sensitive issue with their members, and they also know Clinton will need support from those members to get his legislation through Congress. Many unions desperately want to support the president, but they can't without seeing the final details of his proposal because their members expect to have health care at least as good as they now have, if not better. "There's a tendency to give the administration the benefit of the doubt," says OCAW Presidential Assistant Tony Mazzocchi. "But this is not something you can fudge. Our members are affected very directly." ◄

Unions helped collect nearly a million postcards supporting a single-payer plan that were delivered to Vice President Al Gore last month.

Photo by Ray Crowell/Pega One, courtesy of Jobs with Justice



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COMMUNITY ORGANIZING

Medical emergency

Single-payer health care advocates like Neighbor-to-Neighbor find themselves racing against the clock.

By Zack Nauth
SAN FRANCISCO

There's no palpable sense of panic among the staff and volunteer members of Neighbor-to-Neighbor as everyone's evening slips away from them during another two-hour meeting. Exhaustion is more like it. Too many meetings, too many details, too little time.

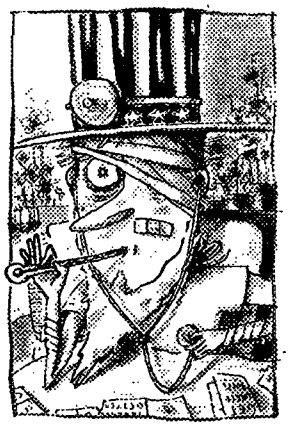
While Hillary Rodham Clinton's health care working group prepares to unleash its plan on the American public next month, health care activists like those in the Bay Area chapter of Neighbor-to-Neighbor are racing against the clock, but taking it one step at a time.

The San Francisco-based Neighbor-to-Neighbor (or, as members call it, N2N) is doing its best to force the Clinton administration and Congress to seriously reckon with a single-payer health insurance system, a.k.a. "national health insurance," "Canadian-style health care" or the outdated "socialized medicine."

Along with Citizen Action, which has organizers in 30 states working on the issue, N2N is one of the largest grass-roots organizations involved in the single-payer push. The group is actively organizing in four states—California, Massachusetts, Rhode Island and Vermont. A dozen N2N staffers are recruiting average citizens to form chapters, conduct direct actions, set up phone networks and pressure elected officials to support a single-payer system. Neighbor-to-Neighbor is coordinating its efforts with other member organizations of the Universal Health Care Action Network (UHCAN), a nationwide single-payer coalition.

The major obstacle N2N and other single-payer advocates face is a fast-emptying hourglass. Grass-roots organizing is often a slow, labor-intensive process that requires a large investment of time up front in order to reap victories and lasting change down the road. It means spending countless hours teaching people how to run meetings and helping them build a democratic organizational structure. Unfortunately, now that health care is "in play," the players aren't waiting around for potential opposition to get better organized.

Glenn Schneider, N2N's national director for health care, estimates that about eight months remain before health care reform legislation comes to a floor vote in Congress. In that short span, the strategy is to convince 100 House and Senate members to co-sponsor the American Health Security Act of 1993, introduced to Congress by Sen. Paul Wellstone (D-MN) and Rep. Jim McDermott (D-WA). The bill has 69 co-sponsors so far.



Neighbor-to-Neighbor is in phase one of the strategy, designed to "blow the debate open," as Schneider puts it. The goal is to get the concept of a single-payer health care system back on the political agenda after being shoved aside by "managed competition" (see page 14), and to rebuild the idea's credibility through broad-based congressional sponsorship relying on African-Americans and women.

Group members recently celebrated a recent convert in Rep. Tom Lantos (D-CA), who grudgingly agreed to co-sponsor the bill during a meeting with Bay Area members. The group also conducted a test run of its new phone network by placing an estimated 50 calls to Sen. Barbara Boxer