

AFL-CIO, nurses union slam Schwarzenegger health plan

OAKLAND, Calif. (PAI) — The California AFL-CIO and the state's top nurses union — which led the successful drive against Republican Gov. Arnold Schwarzenegger's anti-union referenda two years ago — blasted a health care reform plan "The Terminator" unveiled Jan. 8.

The governor's plan has "the same gaping holes" that a Massachusetts plan enacted last year by then-Gov. Mitt Romney (R), has, said California Nurses Association President Deborah Burger. She called Schwarzenegger's plan "little more than a fresh coat of

paint on a collapsing house."

California AFL-CIO Secretary-Treasurer Art Pulaski was even more caustic, calling the governor's plan one "that Wal-Mart would love and Wal-Mart workers would hate.

"This will be a boon to insurance companies, but a bust for most workers," he continued.

The plan requires all Californians to buy health insurance — just as drivers must carry auto insurance — with no guarantee that it will be affordable or that coverage will be adequate.

Pulaski said Schwarzenegger's plan

creates an incentive for employers who currently provide health care to drop coverage and instead pay only a minimal tax. "The proposed employer contribution is so low that even Wal-Mart, a corporation known for its minimal employee health care coverage, already exceeds the requirements," he added.

The governor's plan would require all Californians, including the more than 7 million who are uninsured, to buy health care coverage, just as Massachusetts' new law does.

Schwarzenegger also would require all businesses to offer health care cover-

age and mandate that insurers cover people with pre-existing medical conditions. Health insurers now routinely reject covering people with pre-existing conditions, forcing them into expensive emergency room care or no care at all.

Schwarzenegger's plan is part of a bipartisan nationwide trend where states fed up with federal gridlock and inaction on health care are trying to come up with ways to make sure all of their residents are covered. Illinois, Oregon and Minnesota are among states working on expanding coverage.

Instead of trying the fix Schwarzenegger proposed, Burger said the state should enact a single-payer government-run health care system, eliminating private insurers entirely. That would also eliminate their pocketing of premiums and denial of care.

The Democratic-controlled State Legislature approved a single-payer plan last year, but Schwarzenegger vetoed it. Then the insurers poured millions of dollars into their successful campaign against a California Nurses Association-backed ballot initiative to enact single-payer.

CNA's Burger said mandating coverage for all — without discussing costs — isn't enough. The biggest problem, she said, is that the governor would "criminalize the uninsured by forcing them to buy insurance, a plan that shifts

the costs and risk from the insurers to individuals."

Burger said that won't work for millions of Californians, and is a huge gift to the insurance industry. "What we don't see is any discussion of what type of health coverage people will buy," she said. "There are no limits on skyrocketing health premiums, no requirements on what will be included in the required plans, and a new call to deregulate existing public protections."

U.S. Sen. Ron Wyden (D-Ore.) introduced a similar coverage-for-all plan, working through private insurers but with standards set by states and insurance bought by individuals.

Service Employees President Andy Stern — whose union represents more health care workers than any other union — supports Wyden's plan. But Wyden's plan has been criticized for no controls on premiums and for keeping the role of the insurers.

Schwarzenegger's plan could leave many people in the nation's largest state with health coverage that covers little and costs a lot, Burger said.

"Many Californians will end up with cut-rate plans that discourage people from using their health coverage, have huge out-of-pocket costs, and expose them to financial ruin in the event of a serious illness or accident," she concluded.

...No cost containment in Wyden's health care plan

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to seven years). But after that, employers would be off the hook, except that they would contribute from 2 to 25 percent of the cost of their employees' individual premiums, depending on the size of the business. About 10 million people are currently covered by joint union-management health trusts. Wyden's bill doesn't specify what would happen to the billions of dollars in assets held by labor-management health trusts.

Wyden told the NW Labor Press his proposal has benefits for unions. He said he wants union negotiators to come away from the bargaining table with increased wages and pension contributions — instead of the situation now, where everything gets gobbled up by increased health care costs.

Also, under the Wyden proposal, no longer would some employers contribute to health costs while others shirk; under the Wyden plan all employers would contribute a small fraction of the cost on a sliding scale. Businesses with fewer than 50 employees would pay 2 percent. Businesses with 200 employees would pay 17 percent.

Individuals' health insurance contributions would be deducted from

wages by employers, and along with employer contributions, would go to the federal treasury, which would then pay the insurers.

Oregon AFL-CIO President Tom Chamberlain said he commends Wyden for stepping up to the plate with a proposal. But he, and others, questioned how viable Wyden's system would be without measures to contain costs.

Wyden said costs would be restrained because individuals would be better shoppers and it would be easier to compare policies. State clearinghouses would provide information to help people decide which health plan to buy, and insurance companies would be required to charge the same price to all, without regard to age, race, occupation, pre-existing health condition or genetic predisposition.

Wyden's proposal is similar to one proposed for the state of California by Republican Governor Arnold Schwarzenegger that would require all uninsured residents to purchase health insurance (see article above). Under Schwarzenegger's proposal, employers with 10 or more employees who do not provide health insurance for their workers will be required to pay into a state health care fund.

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