

# Soaring health care co\$t\$t threaten your family

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By VERLE RUSSELL

Most of you are working under union contracts; most of you under union-negotiated health and welfare programs; and most of you probably think you don't need national health security. Let me tell you that you do need a national health program and why you need it.

In 1952, I had the privilege, because I was a business representative, of negotiating the first of the health and welfare programs in Portland. It covered the Truck Operators League of Oregon, and took effect in April 1952. It covered 90 percent of medical bills of a man and his family, and the premium cost \$8.65 a month. Wage scales were \$2.06 an hour. We paid 15 cents for the administration of it through the Transport Indemnity Co.

It is 25 years later; the Truck Operators League of Oregon negotiated its latest agreement last April 1. The insurance is still carried through Lincoln National Life Insurance Co.; Transport Indemnity is still maintaining the program and it has a lower retention figure for the insurance company than I was able to negotiate 24 years ago.

Twenty-four years ago I was able to negotiate a 9 percent retention figure for Lincoln. Retention is that portion of the premium that the insurance company gets to keep as its profit. That amounted to 78 cents in 1952. Today, at an 8.1 percent retention figure, the profit amounts to \$5.30. That's an increase of 679 percent in the insurance company's profit. Nice figure.

The Lincoln health and welfare program today that is comparable to the 1952 plan covers approximately 90 percent of the medical bills of a man and his family. The premium for the plan has increased to \$76.59 a month. That's an increase of 885 percent.

Why do you and I need national health? I'll tell you why. Number one, the medical costs in this town have risen more than twice as fast as wages. Number two, the insurance companies' take has increased nearly twice as fast as wages.

Now, what does that mean to you and me? Well, it just happens by coincidence that in 25 years it will be 2002. A lot of you are still going to be working in 2002. In that year, at the present rate, you will be paying \$677 a month for health insurance coverage. Your wages will be about \$32 an hour. How do you like those figures? I submit to you that we cannot afford that kind of health care cost.

One of the other things that is wrong with most health insurance programs is that they terminate when your employment terminates, and they reinstate sometime after you go back to work.

... The first thing that takes place [for people on unemployment] is taking care of the payment on the house, the grocery bill, the payment on the

car. Where in the devil does anything come in for health and welfare? They're going to play Russian roulette with their health coverage. You know it, and I know it.

... Every insurance program in the United States has this kind of deal: you've either got to wait until the first of the month following your going to work, or X-number of hours. Some come out to three months, others to six months, and I have known it to be as late as nine months after.

I want to give you a case history about a guy who was fired from an industrial company. He was out of work for several months and then he went to work for another industrial company.

Eighty days after he went to work — and 10 days before his health and welfare became effective — his wife came down with a serious allergy that nearly killed her. She wound up in the hospital.

The hospital cost was in excess of \$100 a day. The guy was working in a nonunion shop making \$4 an hour; that's \$160 a week income. That's the immovable object being hit by the irresistible force.

In less than 30 days they guy lost his car, was evicted for non-payment of rent, had to sell his furniture to feed his kids; he lost time as a result of the problem and his employer fired him for absenteeism. He went right into the welfare rolls.

Now, there is something basically wrong with a country that turns a working taxpayer into a welfare case in 30 days. I submit to you that we cannot afford that kind of health care program.

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