

...Out-of-control health care costs

(From Page 5)

that move.

At least 17 state governments are offering some combination of incentives and penalties to get employees to complete a health assessment and take steps to improve health. The State of Oregon began such a program for its roughly 50,000 employees and spouses, domestic partners, and dependents, based on a model pioneered by American Federation of State County and Municipal Employees (AFSCME) in Illinois. Since January, the state has deducted \$17.50 a month for the roughly 14 percent of full-time employees who fail to complete an online health evaluation and follow it up with two online health classes. Next year, after agitation by Oregon AFSCME and SEIU Local 503, the two largest state employee unions, the stick will shift to a carrot instead — employees will receive \$17.50 a month when they *do* participate.

Oregon's Public Employees Benefit Board is also getting rid of the one controversial piece of its Health Engagement Model (HEM): asking members to report their waist circumference. Previously, men who reported over 40 inch waist circumference in the online HEM health questionnaire, and women over 35 inches, were directed to join a weight management program. The two

union representatives on PEBB argued that the stand-alone waist measurement was not a fair assessment. Now the assessment will only ask employees if they are overweight.

UNITE HERE Local 54, which represents casino workers in Atlantic City, New Jersey, combines the clinic and behavior change approaches. In 2007, the union health trust teamed up with a local hospital to set up a health clinic that got startling results by focusing exclusively on the sickest 1,200 employees. Nationally, it's estimated that 5 percent of the population accounts for half of health care spending. The Atlantic City clinic offered greater personal attention and "health coaches" to the sickest 10 percent — at no cost to patients — and saw hospitalization drop by 41 percent, emergency room visits drop by 48 percent, and total spending drop by 12 to 15 percent.

Key to the success of the Atlantic City effort, says Dr. Rushika Fernandopulle, who was hired to set it up, is that doctors are paid a flat amount per patient, and clinic staff were able to develop personal relationships with patients.

"The sickest people do the poorest in the current system, and they're the ones who drive the costs," Fernandopulle said. "They have diabetes, hyperten-

Why is American health care so expensive?

Why is American health care so expensive? Part of the answer is that Americans are getting older, fatter, and sicker — especially with chronic conditions like diabetes and heart disease that are linked to unhealthy diet and a lack of exercise. But it's also because America's "medical-industrial complex" is gripped by the profit motive, even in nominal non-profits. When doctors are reimbursed per visit and per procedure, they have an incentive to recommend more visits and procedures. Meanwhile, medical science is funded to focus on treatments with profit potential, and pharmaceutical and medical technology firms spend fortunes marketing patent-protected discoveries to doctors and patients. Adding to the cost, the current system of health insurance is fantastically complicated and inefficient. Doctors and hospitals pay one set of administrators to bill insurance companies, and insurance companies pay another set to pay (or deny) the claims — all of which consumes up to 15 percent of the health care dollar while doing nothing for health.

sion, heart failure, they're on many medicines, seeing lots of docs, and they're in and out of the hospital and emergency rooms. Those kinds of people really don't do well in the current system, because it's fragmented and reactive."

Instead of a typical practice, where doctors get paid for each "sick visit," the Atlantic City clinic gets a flat fee from the union trust, which allows it to be creative in how it serves patients, Fernandopulle said: "Many of the things we think are of high value — a phone call with patient, a group visit, doing a home visit, having a 'health push' talk with someone — none of that gets paid for in the typical system, so they don't happen."

Now Fernandopulle is working with unions to set up other similar clinics: A UNITE HERE local in Las Vegas

opened one six months ago, and a Carpenters regional council is opening one in Boston this winter.

In Portland, City Commissioner-elect Steve Novick is interested in trying Fernandopulle's approach with City employees, and partnering with other large employers, like TriMet, that have high health insurance costs.

"When you look at what's happened to the working class over the past 45 years," Novick says, "the richest 1 percent used to get 10 percent of the [nation's] income, and now they get 20 percent, and health care used to get 8 percent of gross national product and now it gets 17 percent. The two things have been eating at their paychecks to an almost equal extent. So just as we need to fight increasing inequality, we need to fight increasing health care costs."

Guide Dogs golf tourney Sept. 10

The 24th annual Machinists District W24 Guide Dogs of America Golf Tournament is slated for Monday, Sept. 10, at Heron Lakes Golf Club in Portland. A shotgun start is at 8:30 a.m.

Corporate and union sponsorships are available starting at \$250 and topping out at \$1,000. Entry to the golf tournament is \$125 per golfer.

All proceeds benefit Guide Dogs of America.

For more information, contact Dan Sass at 503-238-5550, John Hall at 503-449-0969, Stacy Breunig at 503-702-9879, or go online at www.iamw24.org.

Labor Roundtable of SW Washington banquet Sept. 28

VANCOUVER — The Labor Roundtable of Southwest Washington will host its annual Labor Awards Banquet Friday, Sept. 28, at the Vancouver Hilton, 301 West 6th Street Vancouver, Washington.

A no-host bar will be provided starting at 5 p.m., with dinner at 6 p.m.

The annual event recognizes labor unions, labor organizations, labor leaders, and union allies for their outstanding service not only to the labor movement, but to the community as well.

Tickets are \$60 per person or \$480 for a table of eight.

The Roundtable also suggests each person donate an item for a door prize.

For more information, or to order tickets, call 360-921-2864 or e-mail eboctran@comcast.net.



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