



JOIN THE HEALTH CARE FIGHT



Frequently Asked Questions and Answers from USW Members and Retirees

Q: Why is health insurance reform important to us if we already have union-negotiated benefits or other coverage like Medicare or Medicaid?

A: Meaningful reform will help lower costs and reform insurance practices to help all of us, including those of us who know all too well about the pain rising health care costs mean at the bargaining table. The average premium for family coverage cost \$13,000 a year and that's predicted to rise to over \$30,000 in the next few years. Imagine if those costs were off the table when we bargain and we could focus on wages, pensions, health and safety improvements and other issues?

We're fighting for reform that will not only help cut these costs but also will help protect quality care and prohibit insurers from denying or limiting coverage when you need it most – when you get sick or have a pre-existing condition. It will focus on preventative care and help cut back on fraud. It will also help lower the expensive cost of emergency room care that all of us pay via hidden fees/charges/taxes for those who are uninsured. It will help our businesses remain competitive, especially with companies in other countries where universal care exists, thus protecting jobs. It could help us provide prescription benefits for our seniors. And it's the morally right thing to do.

Q: Under reform, will we lose the right to negotiate our health care benefits?

A: In the current proposals, no. All of them grandfather in existing collective bargaining agreements.

Q: How will health insurance reform affect me if I'm laid off?

A: Unfortunately, when you get laid off, your health insurance is put at risk and you may be faced with paying high premiums through COBRA, or losing benefits altogether. Reform will make sure that every American has access to quality, affordable health care, even if they unfortunately lose their job. But reform also helps make our businesses more competitive by lowering health care costs and leveling the playing field more with foreign companies where nationalized health care already exists. This helps create and protect jobs at home.

Q: Will retirees who currently get benefits through company-sponsored plans remain in those plans?

A: Our understanding is that in the current proposals, retirees will remain in company-sponsored health insurance plans. Companies will receive assistance in providing insurance for catastrophic illnesses for those ages 55-64.

Q: How will health insurance reform affect Medicare or Social Security?

A: President Obama has said that he wants reform that does not hurt people who already have health insurance whether through employers, Medicare, Medicaid or another program. And USW International President Leo W. Gerard has said that our union will not support legislation that hurts our members or retirees. With that being said, the hope is that we will end up with meaningful reform that will cut waste and fraud from Medicare and Medicaid and improve our health care system. This could lead to expanded prescription drug benefits for our seniors, among other improvements.

Q: How will health insurance reform help close the so-called “donut hole” that forces many seniors to pay thousands of dollars for prescription medicines, or to go without?

A: After a Medicare Part D beneficiary surpasses the prescription drug coverage limit, the Medicare beneficiary is financially responsible for the entire cost of prescription drugs until the expense reaches the catastrophic coverage threshold. This is known as the “donut hole.”

In 2007, over 8 million seniors hit the “donut hole.” For those who are not low-income or have not purchased other coverage, average drug costs in this gap are \$340 per month, or \$4,080 per year, according to the Centers for Medicare and Medicaid Services. Evidence suggests that this coverage gap reduces drug use, on average, by 14 percent – posing a threat to the management of diseases like diabetes or high blood pressure.

The proposed Senate Finance Committee bill and the proposed House legislation would close the coverage gap in Medicare Part D over time, so seniors do not have to worry about losing coverage for their drug costs. According to the U.S. Department of Health and Human Services, while the closure is phased in, health insurance reform will also provide seniors with a discount of 50 percent for their brand-name medication costs in the coverage gap, saving thousands of dollars for some seniors.

Q: Will health insurance reform make Medicare go broke?

A: No. The reform proposals out there now would strengthen Medicare by cutting wasteful spending and fraud and improving our health care system overall. Some estimates put the amount of savings at \$100 billion or more, savings that could partly be used to provide prescription drug benefits for our seniors.

Q: The Senate Finance committee bill is getting positive feedback from some, including President Obama. What’s wrong with it and what can we do to help fix it?

A: While we’re happy that we’re on the path to meaningful health insurance reform for the first time, the Senate Finance Committee bill, also known as the Baucus bill, is just one option, and it is flawed. As we discussed during the calls, there are several problems with this bill, chief among them the proposed taxation of most union health care plans. The cost of this could be staggering for our members, retirees and other working families. You can get more details on our Web site. You can help by writing or calling your members of Congress to ask them to fix the Senate Finance bill and support reform that follows our principles.

Q: Where will the money come from the pay for health insurance reform, which is estimated to cost about \$1 trillion over 10 years?

A: The answer to this depends on which bill you look at. It’s important to note that until we have final legislation, the answer to this question may change. But, based on the bills that are before us now, here’s what we know:

- ❑ **In the proposed House bill:** The majority of the initiatives that would pay for reform will come from cutting waste, fraud, and abuse within existing government health programs; ending big subsidies to insurance companies; and increasing efficiency with such steps as coordinating care and streamlining paperwork. President Obama has said he wants take money that is already being spent on health care and re-allocate it toward reforms that lower costs and assure quality, affordable health care for all Americans. Also in the House bill, more than \$500 billion in revenue would be raised through a tax surcharge on the wealthiest 1.2 percent.
- ❑ **In the proposed Senate Finance Bill (Baucus bill):** The draft Senate Finance Committee health reform bill would slap a 40 percent excise tax in 2013 on health care plans valued more than \$8,000 for individual coverage or \$21,000 for family coverage – most of our union-negotiated plans fall into that category. In today’s dollars, that works out to about \$6,500 for individual plans and \$17,000 for family plans. This would amount to an enormous tax on workers’ health care benefits that would grow very quickly, as insurers increased premiums by an equivalent amount. It would shift health care costs onto the backs of workers, fail to bring down the growth of health care costs and be politically disastrous.

Q: Are there tough provisions in the legislation to go after individuals and corporations that defraud the system?

A: It’s hard to get too specific with this answer because it’s a moving target. But in general, the proposals contain penalties, and in some cases increased penalties, for those who defraud the system. The proposals also aim to aggressively clean up fraud and abuse in our current Medicaid and Medicare programs.

Q: Without a public option how will reform help reduce our health care costs?

A: We believe a strong public option is necessary to truly reduce health insurance costs and offer competition to private insurance companies that may be too focused on profits. We will not support legislation unless it contains a strong public option. You can read more about what a public option is and why it's important on our Web site at www.usw.org/healthcare.

Q: What is “pay to play” and why is it important?

A: So called pay to play is one of our bottom line principles for health insurance reform. Reform must build on what works, and for 160 million Americans that is the employer-based system. A pay to play requirement encourages more employers to offer coverage and penalizes those who do not. This will help hold down cost and bring in needed revenue and level the playing field so free-rider companies can't shift costs to employers that offer good benefits. Pay to play won't hurt the vast majority of businesses – only those that don't offer benefits or offer inadequate benefits may see their costs go up. And small firms will get help or exemptions under the proposed reforms. This requirement also would help employers that offer benefits for pre-Medicare retirees age 55-64. You can read more about pay to play on our Web site, www.usw.org.

Q: What is the timeline for health insurance reform to move through Congress?

A: Again, it's hard to predict because the debate is changing every day. But it's safe to say we could have reform moving through the House and Senate in a matter of weeks and the goal is for it to happen before the end of the year. One thing is clear: the time for action is now and we must be involved.

Q: Are there members of Congress we need to target to push them to support health insurance reform?

A: It's important that we talk to all our members of Congress and let them know why we feel it's important to working families that they support reform. But there are a few who need some extra prodding, including so-called Blue Dog Democrats. A full list of these members is available on our Web site at www.usw.org/healthcare.

Q: What is our position on a single-payer health system?

A: We, of course, support a single-payer system and hope that we ultimately move towards a true universal system. We've never gone on record opposing single payer – in fact, our International President spoke in favor of it when he presided over the historic single-payer resolution that was unanimously approved at last month's AFL-CIO convention. However, it is our responsibility to be engaged in every health care debate that is going on and to represent our members' interests in every proposal that is out there. We'll continue to fight for a true universal system. But we have to also work for reform now, and that includes supporting other proposals that make meaningful progress. Our main goal is to ensure all Americans have access to quality, affordable health care and to ensure our members are protected, no matter the ultimate legislation. As long as these conditions are met, we'll take a step in the right direction over no steps forward at all. The AFL resolutions as well as more details about where we stand are on our Web site.

For more information, visit www.usw.org/healthcare