

Health care challenge

OEA COLLABORATION HELPS LOCAL ASSOCIATIONS AND SCHOOL DISTRICTS UNDERSTAND AND CONFRONT RISING HEALTH CARE COSTS



photos courtesy of Jim Cowles

Education employees used to take it for granted. They were hired, and they got health care coverage.

Dee Groman, who started teaching in 1979 in Findlay, recalls “for the first eight or nine years we had 100-percent paid insurance. It was on nobody’s radar.”

“It was a standard condition of employment,” says Gregg Gascon, education research development consultant at the OEA. “Not too long ago, employers picked up most of the medical health insurance premium.”

But times have changed. Health care coverage now is a primary bargaining concern of both employers and employees. Health care expenditures rose nearly eight percent between 2002 and 2003 according to the National Coalition on Health Care. In 2004, employer health-insurance premiums rose by 11.2 percent. In 2005, it was up nearly 10 percent again.

Gretchen McGuire, president of the Jefferson Community College Education Association in Steubenville, says, “Health care is the issue.”

Dean Wittwer, superintendent of the Findlay schools, says, “If we don’t get costs in line, how are school boards and communities going to be able to afford benefits for employees?”

Barb Phillips, president of Ashland City School’s OAPSE Local 233 and a member of the School Employees Retirement Board (SERB), says public employees should be concerned about how they are spending public money.

“The health care crisis has greatly affected active and retired public school employees,” Phillips explains.

“Without a doubt, the increases in healthcare premiums and co-pays transferred from the employer to the employee is especially devastating to the classified (support) staff,” says Fred McGraw, Director of Education and Research, OAPSE/AFSCME.

“With an average salary of less than \$19,000 annually these increases hurt the classified employees two and three times more than they impact the teaching staff. The devastating effects carry on through their retirement. Of the 65,000 SERS retirees, several hundred actually forgo a pension check each month and pay additional monies to SERS for healthcare, and over 2,000 retirees have dropped their health care insurance all together. I believe the training we provide will enlighten the employers and employees as to some alternatives that exist beyond cost shifting.”

I have this vision. I believe affordable health care is obtainable. Somehow, some way, everyone working together, this can come to fruition.

**BARB PHILLIPS, PRESIDENT OF ASHLAND CITY SCHOOL'S OAPSE LOCAL 233
MEMBER OF THE SCHOOL EMPLOYEES RETIREMENT BOARD**

The OEA has collaborated with other organizations to help school districts and additional public sector groups meet this challenge. Gascon, Van Keating, director of management services for the Ohio School Boards Association, and members of the Ohio Public Sector Labor-Management Health Insurance Benefits Committee have developed an instructional model for public sector labor-management health insurance committees that teaches the principles of risk management and procurement and facilitates the growth and development of committees through capacity building.

Six years ago, Keating and Gascon began to sense the need for such training. Negotiating employees and administrators complained they could not cope with rising premiums. Negotiating sessions reached impasse after impasse because none of the parties could see beyond the one or two options presented to them by the district's insurance broker. Typically, these options consisted of variations on cost increases for employees without regard to the wider organizational issues that influenced health insurance premiums.

The two began holding small workshops to help bargaining teams deal with health care more effectively. Labor leaders, treasurers and superintendents were soon asking for additional help, and mediators from the Federal Mediation and Conciliation Service (FMCS) and the State Employment Relations Board (SERB) sought their counsel. Through the help of Tom Worley and Carol Nolan Drake of SERB, they brought other organizations to the table to form a committee that

applied for and received a federal grant for \$75,000 from Federal Mediation and Conciliation Services and \$15,000 in local matching funds from Anthem Blue Cross and Blue Shield, Medical Mutual of Ohio and United Healthcare of Ohio.

Each of the three health insurance companies worked extensively with the school market and had witnessed the increase in strife that accompanied health insurance cost increases. Money from the grant has paid for a website, training manuals for participants, the services of labor-management specialists and mediators for health insurance committees, and an external evaluation of the approach.

While the formative evaluation will not be released until July, the formative evaluation results have been overwhelmingly positive. Steven Garcia, CEO of United Healthcare of Ohio in Columbus, says he's impressed with the course and wants feedback from participants so "we can become better partners in the competitive bidding process."

"Ongoing health care committees are a wise, efficient and effective way for both unions and administrators to jointly deal with one of the key issues facing collective bargaining today," according to Lou J. Manchise, director of mediation services for the Federal Mediation and Conciliation Service. "Parties around the state of Ohio should avail themselves of this unique and valuable training and facilitation offered by the Federal Mediation and Conciliation Service, the State Employment Relations Board and the Ohio Public Sector Labor-Management Health Care benefits Committee."

"I've had the opportunity to go through this training, and it is simply first-rate," he says.

FMCS will highlight the training at its annual regional Labor-Management Conference in May at Northern Kentucky University.

The instructional model consists of two full-day workshops that focus on health care and decision-making and five facilitated sessions that focus on the growth and development of health insurance committees. Presenters include Gascon (OEA), Keating (OSBA), Fred McGraw (OAPSE), Jim Cowles and Meredith Porterfield (Columbus Area Labor-Management Committee) and consulting mediators from various organizations.

The workshops comprise a primer in risk management, procurement, population health management, committee effectiveness and problem solving. OEA and OSBA stress to all parties that the committee process does not supplant the bargaining process. All the presenters offer guidelines for forming and developing labor-management health-care committees that build the capacity of all sides to understand all the organizational and contextual variables that impact health insurance premium levels.

The idea, says Gascon, is to give everyone involved the tools to explore options and to keep those tools sharpened year-round. That way questions can be answered as they arise—and everyone is up-to-date when contract time rolls around again. Everyone gets a training manual, access to a training website, and the assistance of a mediator to develop their committee according to local needs.

"The bargaining table is not the place to examine the health insurance plan," says Gascon. "You have to build capacity before you get to the table. Once both sides are more informed, they can make better choices."

So far, six workshops have been held for 23 public entities. The mix often includes representatives from city or county governments. The training is an eye-opener for many participants. **Dan Rueger**, president of the Ashland Education Association, says it begins with basics. "They start off with what can an insurance committee be and how do you formalize one?"

It moves into how organizations can manage risks and purchase insurance competitively to control costs. "They point out the resources you can use to help do this job," says Rueger.

Participants look at the common thought patterns that result in roadblocks to decision-making and mistakes common to health care purchasers. Attendees also learn about insurance plans: the definitions of common terms used in the industry; the basics of the health plan designs; how Ohio's collective bargaining law affects the process; how insurance brokers influence plan selection; and the basic elements of medical, dental, vision and drug benefits.

"The other part is how to go about getting companies to tell you the unblemished truth about what's going on," says Rueger. "Lots of proposals are shared, so you can make apples-to-apples comparisons. They give you an idea of what kinds of questions should be asked."

McGuire says she learned the importance of examining brokers through a Request for Qualifications (RFQ) process which requires the completion of a questionnaire from prospective brokers that gives background and experi-

ence, demands transparency, and asks for client references to prove why they should represent the school district.

"He (Gascon) put together a shopping list of the documents your committee needs in order to do its job," McGuire says.

Rueger, who has twice served as union president and is a member of the district's current health-care committee, says he realized his district has been doing some things right. For several years, Ashland has been watching costs more carefully, especially after a scandal several years ago concerning some missing money. The mindset has carried over to shopping for health coverage, including during the most recent negotiating session in the spring.

"We've had very good experiences in the last few years," he says. "We're averaging five-percent increases." Yet the training has given him a few ideas his district's committee can explore for the next contract.

Dee Groman, president of the Findlay Education Association, brought her entire bargaining team with her to the training, and she's glad she did. Recently, following a switch to a seemingly less expensive claims-management company, teachers began receiving surprises in the mail—returned bills that were

marked, "This service is not covered by the plan."

Groman now realizes the district's agreement with a new management company that administers the district's self-insurance plan is not entirely the same as the contract with the previous provider. Groman says it appears that the former provider had offered wellness benefits that weren't actually written into the contract. Everyone expected them, yet no one read the fine print.

After taking the training, she says, "We learned to ask not only what's included, but to put the policies side by side."

Rueger says he also is learning about risk assessment. "You can find out what's causing the most costs. Is it heart problems? Kidney problems? Once you know, what can you do about it? Our OAPSE folks have a lot of movement-type problems. So we can ask, 'Are we doing back pain prevention programs?' With the teachers, it's more stress-related. That's something we're actively pursuing right now."

Phillips, a bus driver, says some of the OAPSE unit's 131 members want to start working on a wellness plan, pursuing coverage for chiropractic visits and smoking cessation programs.



Workshop participants complete session exercises.

Charting a group's responses



"We have a gym, and our people should be allowed to go and work in the weight room," she says. "Or they should get something paid toward membership at the local Y. We have blood-pressure checks in the buildings, but I don't believe my people believe that's for them, too.

"We also want to do reminders, for instance, to say, 'Ladies, have your mammograms done.' We want to give out educational materials."

George Albu, a federal mediator, consulted with Gascon and Keating for the project. He says that asking the right questions can help focus a health-care committee on specific goals.

"What are you really trying to accomplish?" he says. "If you're trying to minimize costs, there are ways to do that. If you're trying to provide a healthy environment, there are ways to do that. But what tools and information are you using? What do your statistics show? Are there certain diseases or processes that show an increase in your premiums?"

Groman says it's not easy to put oneself in the place of another team member.

"On our committee we have all kinds of people—including bus drivers and secretaries. Some of the people were not treated with equal respect. It was not always a real honest and open sharing of information," she says.

McGuire says insurance can be about socioeconomic status. "Health-care negotiations make class distinctions," she says. "It was a major stumbling block during the last round of bargaining. We were talking about co-pays, and the impact it has for somebody making \$9 an hour compared to the college president—it creates a very wide gulf."

Phillips says she has had to point out, "We can't afford the teachers' plan. Our raise increases are not comparable. I've worked in this since 1985. I just got over a poverty-level wage. Some of our members make \$21,000."

But Phillips is hopeful, especially since she participated in the OEA training.

"I have this vision," she says. "I believe affordable health care is obtainable. Somehow, some way, everyone working together, this can come to fruition."

Additional information about the "Ohio Public Sector Labor-Management Health Care Benefits Committee is available online at <http://healthlmc.org>.

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