

Comments to 2018 R.A.

Mark Hage, Director of Member Benefits

April 7, 2018

As Martha noted, we are living through an unprecedented time of chaos, confusion, fear and anger in respect to your VEHI health care benefits.

This crisis, however, is much larger than the problems arising from the failure of a Third Party Administrator to do the job it was contracted to do.

This crisis manifests first in the fact that VEHI is not a partnership of equals – it is employer dominated. The union does not have an equal voice in the design of your benefit plans and their cost-sharing arrangements.

Second, we are trapped in a for-profit, under-regulated health care system that is becoming progressively more unaffordable, unfair, and inequitable each year.

Third, the legislation that led to Act 85 in 2017 required all health care provisions in collective bargaining agreements, with few exceptions, to expire during the summer of 2019. This, in turn, led to many one-year agreements. Thus, virtually all school districts and local unions will be bargaining over health insurance this fall. It's 2016 and 2017 all over again.

Let me say a few words about VEHI.

School boards, as you know, have a 4 to 1 advantage on the VEHI Board of Directors. It is impossible, therefore, for Vermont-NEA to stop any benefit design measures it is opposed to, or to advance ones that we believe protect or serve you better, unless, of course, we can consistently sway two management votes to our position. That has not happened to date, and we do not foresee it happening.

The United States spent \$3.3 trillion dollars on health care expenditures in 2016, the year for which we have the most current spending data. Our nation is projected to spend \$5.7 trillion dollars on health care, 20 percent of our GDP, by the year 2026, just eight years from now.

As health care costs continue to rise beyond the ability of working families or employers to pay for them, VEHI will be inclined to raise deductibles to moderate

premiums, which, in turn, will add pressure perpetually on collective bargaining and make health care more unaffordable.

All of us will be caught in an ever-tightening, cost-shifting dynamic, and we will not have the ability through VEHI's governance system to help shape an outcome that is fair to you as well as to school districts.

Member Petition

You and your colleagues understood well before January 1 of this year that we had a serious problem with the VEHI governance model.

For much of the past two years, we have heard from our members across the state that the status quo with VEHI is neither fair nor acceptable.

In the fall of 2016, 1,500 of our union members signed a petition to the Vermont-NEA Board of Directors; it directed your union to find a way to restore the traditional governance balance between employers and employees on the VEHI Board of Directors, either by giving the union the same number of representatives on the board, or by instituting consensus decision-making.

The signatories also asked Vermont-NEA to explore alternatives to VEHI if we could not restore equality in governance or decision-making.

That petition was shared with the VEHI Board of Directors. Jeff Fannon, as the sole union representative on the VEHI Board, made a motion at a VEHI Board meeting that, if it had passed, would have required that Board, in its *current configuration*, to work by consensus, as it had for the past 20 years.

That motion failed. It didn't fail on a 4 to 1 vote or a 3 to 2 vote. *It failed for lack of a second.* Vermont-NEA is so deficient in representation on the VEHI Board that we do not have the ability to get even a second on a motion that the four school-board representatives do not look favorably on.

Simply put, the school-board representatives in VEHI are not interested in re-establishing VEHI as a partnership of equals. In fact, at the annual meeting of VEHI in October, 2017, school district representatives passed a motion reiterating their support for VEHI's employer dominated, governance model.

Why did they take this precaution?

Well, the Act 85 Commission was soon to begin its work, and one of its charges was the issue of the composition of VEHI's Board of Directors.

Because of regulatory implications too complicated to discuss this morning, the commission ultimately decided not to solicit testimony or evidence on the matter of VEHI's governance.

But school board representatives at the annual VEHI meeting last fall, not knowing what direction the commission might take in this matter, did not want to take any chances. They didn't want the commission making a recommendation to restore equality of representation to VEHI's Board of Directors.

Health Care Reform

Allow me to close my remarks with some brief thoughts about health care reform. Vermont-NEA has been a leader in the reform effort for three decades. Your union endorsed a single-payer health care system in the early 1990s. You'll recall we came close to achieving a universal, publicly financed health care system in Vermont under Governor Peter Shumlin in 2014.

Then Senator Bernie Sanders shook the rafters of the national political system in 2016 when he ran for president and made "*Medicare for All*" a central plank of his platform. Tens of millions of working Americans responded in a way that has never been seen before on this issue.

To date, 635 organized labor organizations nationally, including Vermont-NEA, have endorsed bills in the Congress backing "*Medicare for All*." At last count, there are 16 Senators and 120 representatives in the House who have endorsed the bills; Senator Leahy and Representative Welch are among them.

The American health care system, to quote a distinguished journalist and former doctor, is "a slow-moving heist." It is inequitable and over-priced, and one of the most wasteful in the industrial world.

In a landmark study in 2010, the Institute of Medicine estimated that one-third (1/3rd) of every health care dollar is wasted; that's more than a trillion dollars today.

The three top reasons for this waste: high prices, high administrative prices, and fraud. The Institute also identified unnecessary or clinically unsound care and

missed disease prevention as driving hundreds of billions of dollars more in additional wasted spending.

The report did not say, however, that America's working families or health care system need more "skin in the game."

Our nation spends more on health care, by far, than any other country, but we do not have the best medical outcomes internationally...and we have an estimated 30 million people without coverage.

Whatever happens with VEHI and your health care benefits in the short-term, you and your union must continue to advocate for health care reforms and benefit plans that benefit the many, not the few. This union must lead on health care reform, as it has in the past, and we will need new forms of political organizing and alliances to achieve our objectives.

50 years ago this week, an assassin's bullet cut short the life of Dr. Martin Luther King, Jr. He said many things that should be committed to memory, including this:

***Of all the forms of inequality,
injustice in health care is the most shocking and inhumane.***

These words are on the door of my office at Vermont-NEA.

I put them there so that I would never forget that the struggle for universal health care is, fundamentally, a civil rights' struggle, a struggle for justice.

Until health care is available to all equally, irrespective of income, gender, race and ethnicity, sexual orientation, or medical status...until health care is a right – not a privilege – we cannot say we live in a just society.

On a personal note, I know many of you and your colleagues are hurting now because of the severe problems with Future Planning, and I know that we have members who cannot afford their prescriptions or certain medical services now as they could before.

I am so very sorry for what is happening. There are no words to convey how badly I feel for what you and your loved ones are going through.

I promise, though, that I and Vermont-NEA we will do everything in our power to correct these problems and to make your health care affordable and accessible to you and all Vermonters.