



# MWV Union Council

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## The Hardest Call

**The first reason to support the Senate health care bill:** is that it would provide insurance to 30 million more Americans.

**The second reason to support the bill:** is that its authors took the deficit issue seriously. Compared with, say, the prescription drug benefit from a few years ago, this bill is a model of fiscal rectitude. It spends a lot of money to cover the uninsured, but to help pay for it, it also includes serious Medicare cuts and whopping tax increases — the tax on high-cost insurance plans alone will raise \$1.3 trillion in the second decade. The bill is not really deficit-neutral. It's politically inconceivable that Congress will really make all the spending cuts that are there on paper. But the bill won't explode the deficit, and that's an accomplishment.

**The third reason to support the bill:** is that the authors have thrown in a million little ideas in an effort to reduce health care inflation. The fact is, nobody knows how to reduce cost growth within the current system. The authors of this bill are willing to try anything. You might even call this a Burkean approach. They are not fundamentally disrupting the status quo, but they are experimenting with dozens of gradual programs that might bend the cost curve. If you've ever heard about it, it's in there — improved insurance exchanges, payment innovations, an independent commission to cap Medicare payment rates, an innovation center, comparative effectiveness research. There's at least a pilot program for every promising idea.

**The fourth reason to support the bill:** is that if this fails, it will take a long time to get back to health reform. Clinton failed. Obama will have failed. No one will touch this. Meanwhile, health costs will continue their inexorable march upward, strangling the nation.

**The first reason to oppose this bill:** is that it does not fundamentally reform health care. The current system is rotten to the bone with opaque pricing and insane incentives. Consumers are insulated from the costs of their decisions and providers are punished for efficiency. Burkean gradualism is fine if you've got a cold. But if you've got cancer, you want surgery, not nasal spray. If this bill passes, you'll have 500 experts in Washington trying to hold down costs and 300 million Americans with the same old incentives to get more and more care. The Congressional Budget Office and most of the experts I talk to (including many who support the bill) do not believe it will seriously bend the cost curve.

**The second reason to oppose this bill:** is that, according to the chief actuary for Medicare, it will cause national health care spending to increase faster. Health care spending is already zooming past 17 percent of G.D.P. to 22 percent and beyond. If these pressures mount even faster, health care will squeeze out everything else, especially on the state level. We'll shovel more money into insurance companies and you can kiss goodbye programs like expanded preschool that would have a bigger social impact.

**Third, if passed,** the bill sets up a politically unsustainable situation. Over its first several years, the demand for health care will rise sharply. The supply will not. Providers will have the same perverse incentives. As a result, prices will skyrocket while efficiencies will not. There will be a bipartisan rush to gut reform. This country has reduced health inflation in short bursts, but it has not sustained cost control over the long term because the deep flaws in the system produce horrific political pressures that gut restraint.

**Fourth,** you can't centrally regulate 17 percent of the U.S. economy without a raft of unintended consequences.

**Fifth,** it will slow innovation. Government regulators don't do well with disruptive new technologies.

**Sixth,** if this passes, we will never get back to cost control. The basic political deal was, we get to have dessert (expanding coverage) but we have to eat our spinach (cost control), too. If we eat dessert now, we'll never come back to the spinach.

So what's my verdict? I have to confess, I flip-flop week to week and day to day. It's a guess. Does this put us on a path toward the real reform, or does it head us down a valley in which real reform will be less likely? If I were a senator forced to vote today, I'd vote no. If you pass a health care bill without systemic incentives reform, you set up a political vortex in which the few good parts of the bill will get stripped out and the expensive and wasteful parts will be entrenched. Defenders say we can't do real reform because the politics won't allow it. The truth is the reverse. Unless you get the fundamental incentives right, the politics will be terrible forever and ever.

*David Brooks, emphasis added, December 20, 2009 Edition*

# Union News



AFL-CIO News service graphic(s) added

**In Climate Change Talks, Decisions Frozen on Key Issues:** Lauren Aspen of IUE-CWA sends us this report from the climate change talks in Copenhagen, Denmark, where 40 U.S. union members are part of a 400-member global union movement delegation led by the International Trade Union Confederation (ITUC). Read our previous blogs on the climate change talks [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#) and [here](#). Anticipated to be the culminating moment in reaching a global agreement to reduce greenhouse gases, these talks have instead become a circus where thousands are stranded outside and a rotating group of participants inside gives the process a cold shoulder.



**Union Leaders Tell President's Economic Advisory Board: Worker Training Key to Job Creation:** Daniel Marschall, AFL-CIO Legislative and Policy Specialist for Workforce Issues, reports on union participation in this week's meeting of the President's Economic Recovery Advisory Board. Unionists from manufacturing, high technology and services industries this week urged the President's Economic Recovery Advisory Board (PERAB) to integrate innovative education reforms and best practices in worker training into the Obama administration's approach to creating jobs and recovering from the recession. Speaking at a technology meeting sponsored by the newly formed PERAB Education and Training Subcommittee Dec. 16,

Matthew McKinnon, director of the Machinists (IAM) Legislative and Political Action Department, emphasized the importance of building an educational system that has a place for technical training, providing multiple pathways for young people and dislocated workers to move into high-skill, family sustaining jobs.

**Confusion and Anxiety Over Climate Change Negotiations:** Bob Baugh, executive director of the AFL-CIO Industrial Union Council and co-chair of the AFL-CIO Energy Task Force, sends us this report from the climate change talks in Copenhagen, Denmark, where 40 U.S. union members are part of a 400-member global union movement delegation led by the International Trade Union Confederation (ITUC). Read our previous blogs on the climate change talks [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#) and [here](#). Confusion, anxiety and despair have taken hold over the past few days here in Copenhagen as posturing continued and debates about process reigned over substance. One of the few bright spots was our ongoing fight to keep just transition language in the agreement.



**Seattle Workers Rally to Support TSO Union:**

Port of Seattle Commissioner-elect Rob Holland expresses his support for Sea-Tac Airport TSO's effort to form a union with AFGE. Dozens of union members, elected officials and community supporters gathered at Seattle-Tacoma (Sea-Tac) Airport this week in solidarity with tens of thousands of transportation security officers (TSOs) who want to form a union with AFGE. The Seattle rally shows workers across the country are standing strongly behind

the employees who protect the flying public. The AFL-CIO and affiliated unions are mobilizing to draw attention to the plight of these workers and the unfair ways they are being treated. Even though federal border guards, immigration and customs and Federal Protective Service employees are already union members, TSOs still do not have collective bargaining rights.

**Learning and Doing in Copenhagen:** Barbara Byrd, secretary-treasurer of the Oregon AFL-CIO and co-chair of the Oregon Apollo Alliance, is taking part in climate change talks in Copenhagen, Denmark, where 40 U.S. union members are part of a 400-member global union movement delegation led by the International Trade Union Confederation (ITUC). Read our previous blogs on the climate change talks [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#) and [here](#). Labor delegates from around the world are taking full advantage of opportunities to negotiate, educate, persuade and build bridges here in Copenhagen. Most of us spend time at the World of Work pavilion, located at the Danish Confederation of Trade Unions. The events here provide labor delegates and others with chances to share information and strategies for labor's involvement in lowering carbon emissions globally. These education sessions have been the most helpful to me in drawing lessons for the Oregon union movement in dealing with climate issues.



### **Trumka: Senate Health Care Bill Must Change to Be Real Reform:**

The health care bill being considered by the U.S. Senate is inadequate and too tilted toward the insurance industry, AFL-CIO President Richard Trumka said last week. In recent days, as the Senate has debated health care reform, small numbers of senators have held health care hostage by threatening to block a vote. The new proposal by the Senate puts the interests of insurance companies—and senators who would rather look out for the insurance companies—ahead of real reform. Trumka said the top priority now is to fight over the

rest of the legislative process to fix the bill and make sure we can pass real health care reform: *The labor movement has been fighting for health care for nearly 100 years and we are not about to stop fighting now, when it really matters. But for this health care bill to be worthy of the support of working men and women, substantial changes must be made. The AFL-CIO intends to fight on behalf of all working families to make those changes and win health care reform that is deserving of the name.*

**Trade and Climate Policy Cannot Be Separated:** Roxanne Brown, assistant legislative director of the United Steelworkers (USW), is taking part in climate change talks in Copenhagen, Denmark, where 40 U.S. union members are part of a 400-member global union movement delegation led by the International Trade Union Confederation (ITUC). Read our previous blogs on the climate change talks [here](#), [here](#), [here](#), [here](#), [here](#), [here](#), [here](#) and [here](#). While a throng of new conference participants stood in the freezing cold for hours, those of us inside, including some U.S. labor representatives, scurried to contact our government, members of Congress and unions from other developed nations to try and thwart a proposal by India. India wants to add a paragraph to the agreement that would prevent developed nations from using unilateral measures, such as a border adjustment, on products imported from developing nations. A border adjustment is a tariff system which penalizes countries that fail to regulate greenhouse gases in the production of goods.



### **Peggy Shorey Named Pride At Work's Executive Director:**

Pride At Work (P@W), the AFL-CIO's lesbian, gay, bisexual and transgender (LGBT) constituency group, has selected longtime activist Peggy Shorey as its new executive director. Shorey has been an organizer and community leader in Connecticut for the past 17 years. A union member since 1993, Shorey began union organizing in 2001. She has worked for both the UAW and SEIU. For the past 10 years, she has been an executive officer with the Greater Hartford Central Labor Council and also served on the Executive Board for the Connecticut AFL-CIO. An openly bisexual union leader, she was founding co-president of the Connecticut

chapter of Pride At Work. Donna Cartwright, co-president of P@W, says: *Peggy has a long history as a union and LGBT leader with extensive skills running social justice nonprofits. She has built effective and vibrant coalitions—including partnerships with unions, the faith community, political and community organizations and the broader LGBT community—the kind of coalitions that change opinions and win lasting victories.*

# Slouching Toward Healthcare Reform



“Don’t make the perfect the enemy of the better,” says the President and congressional insiders when confronted with the sorry spectacle of a health-care bill whose scope and ambition continue to shrink, and whose long-term costs to typical Americans continue to grow. They’re right, of course. But by the same logic, neither the White House nor congressional Democrats will be able to celebrate the emerging legislation as a “major overhaul” or “fundamental reform.” At best, it’s likely to be a small overhaul containing incremental reforms.

Real reform has moved from a Medicare-like public option open to all, to a public option open to 6 million without employer coverage (still in the House bill), to a public option open only to those same people in states that opt for it, or about 4 million (the original Harry Reid version of the Senate bill), to no public option but expanded Medicare (the Senate compromise) to no expanded Medicare at all (the deal with Joe “I love all the attention” Lieberman).

**In other words, the private insurers are winning and the public is losing.**

Pharmaceutical companies are winning as well. Yesterday, proposals to allow US pharmacies and wholesalers to import prescription drugs from Europe and Canada were defeated in the Senate. No matter that American consumers pay up to 55% more for their prescription drugs than Canadians, or that the measure would have saved the government at least \$19.4 billion over ten years (according to the Congressional Budget Office). Big Pharma’s argument that the safety of such drugs couldn’t be assured was belied by the defeat of another proposed amendment that would have allowed drug imports only if their safety and economic benefits were certified by the Secretary of Health and Human Service.

Doctors and hospitals are also winning. More and more of the putative “savings” from health care reform (“savings” should really be understood as projected costs that are under the wildly-escalating costs projected without such savings) rely on constraints on future Medicare spending. But the details of such constraints keep vanishing, while ever

more of the messy work of coming up with them is assigned to a so-called Medical Advisory Board that will supposedly recommend them later on. What no one wants to admit is that Congress never actually implements promised Medicare savings. When crunch time comes, it caves in to the AMA and the AARP. In a few years time, when boomers swell the ranks of seniors, and the political power of the AMA and AARP together rival that of Wall Street, the cave-ins will be bogging.

Meanwhile, opponents of abortion are winning, too. Ben Nelson (a Nebraska Democrat who enjoys being the spoiler even as much as Joe Lieberman) is holding out for even more restrictions.

The political reality right now is that Harry Reid will do anything to get sixty votes — which means Lieberman, Nelson, and even Olympia Snowe are able to use extortion on behalf of Big Insurance, Big Pharma, the AMA, and abortion foes. The President, meanwhile, remains eerily above the fray. Having closed deals months ago with Big Insurance, Big Pharma, and the AMA — in order to get their support in exchange for guaranteeing them big profits — his only apparent interest is keeping the deals going while helping Reid corral sixty votes for just about anything. (The deals have caused some awkwardness for the White House. Drug importation would have cost Big Pharma far more than the \$80 billion price tag it agreed to, forcing the White House to oppose importation even though the President had publicly supported it during his presidential campaign last year, and even though John McCain supported yesterday's amendment.)

Is the effort worth it? Yes, but just. Private insurers will have to take anyone, regardless of preconditions. And some 30 million people who don't now have health insurance will get it. But because Big Insurance, Big Pharma, and the AMA will come out way ahead, the legislation will cost taxpayers and premium-payers far more than it would otherwise. Cost controls are inadequate; in fact, they barely exist. If Wall Street's top brass are "fat cats," as the President described them last weekend, the top brass of Big Insurance, Big Pharma, and the AMA are even fatter. While they don't earn as much, they're squeezing the public for even more.

We are slouching toward health-care reform that's better than nothing but far worse than we had imagined it would be. Even those of us who have seen legislative sausage-making up close, even those of us who never make the perfect the enemy of the better, are concerned. That two or three senators are able to extort as much as they have is appalling. Why hasn't Reid forced much of the bill into reconciliation, requiring only 51 votes? Why has the President been so cowed? In all likelihood, the White House and the Dems eventually will get a bill they can call "reform," but they will not be able to say with straight faces that the reform is a significant improvement over the terrible system we already have.

*Robert Reich served as the nation's 22nd Secretary of Labor and now is a professor of public policy at the University of California at Berkeley.*