

Testimony at the
Partnership for Coverage Public Hearing
By Local 32BJ SEIU
Kevin Doyle, Executive Vice President
Rafiq Mohammed, Security Officer
Friday, November 2nd 2007

Kevin Doyle:

Good afternoon. My name is Kevin Doyle and I am the Executive Vice President of Local 32BJ SEIU. Local 32BJ represents more than 55,000 property service workers in New York State, who work as cleaners, porters, maintenance workers, doormen, security officers, and window cleaners.

As union members, these workers enjoy such benefits as family-sustaining wages, pension plans, 401Ks, training programs to enhance job-related skills, legal services, and most importantly: fully employer-paid family health insurance.

Our members are insured through a Taft-Hartley Fund. These funds are organized according to a law passed by Senator Robert Taft and Representative Fred Hartley Jr. in 1947. Today, 26 million workers, family members and retirees in the United States are covered by Taft-Hartley Funds.

Each employer's contribution to the funds is collectively bargained. These employer contributions and income from investments are the only two sources of funding allowed. The funds and assets are managed by a joint board of trustees, with equal representation from management and labor. The assets of the fund are legally distinct from the union and the employers and exist for the exclusive benefit of Local 32BJ members and their families.

There are many advantages to these funds. One is that our members can change jobs without losing coverage, as long as the new job is with an employer

who participates in the same Taft-Hartley fund. The other comparative advantage is the ability of unions like ours to negotiate employer contributions to health care through collectively bargained agreements, instead of simply relying on the good will of the employer to provide coverage to its workers.

As a result, although only 27%, or 2.2 million of New York's 8 million wage and salary workers are represented by unions, union employers accounted for 38% of all money spent by NY wage and salary employers on health benefits in 2005 – an amount roughly equal to 8 billion dollars or \$4667 per worker.

In addition, our Taft-Hartley Fund is able to provide coverage of much greater quality than healthcare plans offered by small or low-wage employers. Although the employers of our building service workers are able to afford the cost of health insurance, we have recently added thousands of security officers to our union. Before joining Local 32BJ, these officers were earning as little as \$9.50 dollars per hour with little or no benefits. If their employers offered health coverage it was a bare bones program. Even buying into our least costly benefit program would cost these employers \$3.16 per hour per 40-hour employee, in addition to wage increases that we would negotiate. For many employers this is an insurmountable barrier – they cannot increase their costs so dramatically and still remain competitive in their industry.

Low-wage employers simply cannot afford any decent health care plan on their own. For this reason, we recently worked to pass legislation that would have allowed Taft-Hartley funds to participate in the Healthy NY program. Under the new bill, state assistance would have been combined with employer contributions to offer the best possible insurance to the low-wage workers we bring into our union.

Although this bill successfully passed both houses, Governor Spitzer vetoed it. In his veto message, the Governor stated that this change would redirect Healthy

NY funds towards the subsidization of health insurance costs for individuals who may already be insured. While this argument has merit, it fails to consider those workers who may nominally have coverage but because of high co-pays or premiums are still unable to access quality health care.

Allow me to compare the Local 32BJ health benefit with the benefit offered by FJC, an employer of low-wage security officers in New York City.

- The 32BJ Plan that covers security officers provides full hospital coverage for 365 days. The member pays a \$500 deductible for each admission. Compare that to the Sentinel Health Fund that reimburses up to \$300 a day for inpatient care. For a stay in a typical NY hospital, the covered member would be responsible for \$1562 a day. With an average stay of 4 days, a security officer covered by the Sentinel Plan would be left with a bill of over \$6,000.
- Our plan provides for as many visits to the doctor as the member needs. He or she would have a co-pay of \$20 a visit. Contrast that to the Sentinel doctor benefit – a limit of 4 visits a year regardless of illness and the benefit reimburses only \$40 a visit for a maximum annual benefit of \$160.
- The Sentinel Plan has no prescription drug coverage. Security officers covered by the 32BJ Security plan pay \$7 for each generic prescription and \$22 for each brand drug up to an annual maximum of \$2000.

I could go on enumerating the differences but let me sum it up: the 32BJ Security Officers Plan is a comprehensive benefit program that provides health security to people whose job it is to secure our safety. The program provided by Sentinel is much less. In fact, it may be worse than a no plan at all because the

existence of the plan may disqualify security officers from coverage in much more comprehensive public programs like Healthy New York, Family Health Plus or Medicaid.

Instead of relegating low-wage workers to the bare bones program their employers are able to afford, or the state absorbing the entire cost of enrolling these working in public health programs, Local 32BJ believes New York State should explore more public-private partnerships.

As public programs like Family Health Plus expand, many employers of low-wage workers drop coverage and take their private dollars out of the system, shifting the burden to taxpayers. Under our proposed changes to Healthy New York, we would have kept these private dollars in the system and combined them with state funds to offer the best possible coverage to the largest number of workers.

In conclusion, I would like to encourage you to re-evaluate the potential benefit of the type of public-private partnership Local 32BJ proposed under our recent Healthy New York legislation.

I would also like to invite a worker who is directly affected by these policy decisions to share his experience.

Rafiq Mohammed:

Good afternoon. My name is Rafiq Mohammed and I am a security officer at Fordham University, at the School of Law. I am employed by Summit Security and I have worked here for 13 years. I currently earn \$10.85 an hour.

My wife suffers from thyroid disease and is a breast cancer survivor. She is unable to work. Fortunately, she is enrolled in Medicaid, which pays for her prescriptions, doctor's visits and hospital stays.

I get health insurance through my employer, Summit Security. It is better than nothing at all but it doesn't really meet my needs. For example, my plan does not cover physicals. In order to get a physical, I have to lie to the doctor and pretend to be sick. Otherwise, I wouldn't be able to get an appointment.

My plan offers a total benefit of \$800 per year per family. Luckily, I'm a healthy guy but if I ever got sick and had to go to the hospital or had an accident I don't know how I would pay for it.

Recently, some of my co-workers and I have started talking about joining Local 32BJ. We would like better wages and better benefits. If employers like Summit can't afford it, I think the state should help them pay for a good health insurance plan like the 32BJ Security Officers Benefit that will actually take care of us when we need it.