

Report extracted from the minutes of
AFSCME Retiree Exec Bd- 4 Dec 2015

Retiree Coordinator's report:

We need documents from retirees where they were offered free dental in retirement for a lawsuit. Presently, we have a lawsuit about health Insurance.

The State isn't paying premiums. The Health Insurance Companies are pass-throughs to your providers. Health plans like Health Link and Cigna have stopped paying bills because they aren't getting reimbursed by the State of Illinois. AFSCME 31 Retirees wants doctor anecdotes. They want to know who's bills have been turned over to collection agencies.

City of Chicago retiree news:

Last year, these retirees paid \$650-\$ 1200 in monthly premiums. AFSCME challenged this. The judge hasn't dismissed our lawsuit, stating that healthcare for gov't retirees is covered by State's Constitution.

Healthcare continues to be our biggest issue.

We have won on restoring the COLA.

There will be a dues increase January 1, 2016. Retiree systems and members received letters. IMRF members: Don't forget the group effort we mounted to protect your 13th check.

ON fighting the Rauner agenda- Come to the rallies and other actions. This is how we show power to Rauner.

State/ state university retirees:

Comptroller Munger announced the state doesn't have the money to pay the pension premium. The pension systems have the funds to pay your monthly pension checks. We need to keep building political pressure to secure a permanent solution. Politicians are only concerned about the next election cycle. Rauner will be working to elect a legislature that will support him. If his people get in, your out-of- pocket expenses will go up.

The US Supreme Court and the Fredrichs vs CTA case.

If the Court finds for the plaintiff, all public employee union workplaces will become Right to Work. This will destroy the labor movement and the middle class. Court will hear oral arguments in January.

Rauner has filed an amicus brief in support of getting rid of fair share fees. State Reps Bryant and Hammond are writing briefs in support of unions. AFSCME asked them to do this. Our attorneys feel this will help.

Political Director's report:

Some things have happened despite the budget impasse. Appropriations have been passed to pay for specific things. The Dems have said that monies should be released for road salt purchases, and the LIHEAP program. Mayors have been pressuring Republicans. Rauner broke on the childcare bill. He fears losing control of the Republican caucus.

On the Leader meetings: Just a regurgitation of old talking points. We are still in stalemate. Media still sees this as a power fight between Madigan and Rauner.

On Madigan: Distinguish between a friend and ally. Mike has never been a friend of labor. In politics, allies are more useful. Madigan has been consistent as a voice against Rauner's agenda to kill collective bargaining by public employees. Rauner wants to ban political contributions from government employee union PACs. We need to push back. (Hogan-we need to cover this during small group organizing efforts.)

Rauner attacks on the Workingmans Compensation system:

The current system was set up in the 1920's. Up to that time, issues were resolved in the courts, case by case. Process didn't work for the injured worker because it was slow.

State legislation created a no-fault system. Rauner wants to change this to A "fault" system. He's focused on getting "causation" language enacted so that proof of injury will be on the worker.

In order to cut worker comp costs, Rauner is pushing to have legislature lower the allowable medical fee schedule. The idea is to lower it enough that doctors won't want to treat comp cases. Rauner also wants to use the Less generous AMA guidelines for costing the loss of body parts.

The last big effort at worker comp reform was in 2011. Since then, 3 independent studies have found the reforms had reduced cost for the

insurers. The employers never received a reduction in premium costs. The “reformers” aren’t interested in catching those who’ve abused or gamed the system. They want to destroy the system by chipping away at this safety net. We need to make a stand.

On the Rauner Agenda:

We need to explain the circumstances of Rauner’s activities. His goal is to stack the Republican caucus.

Budget impasse: Joanna doesn’t think a FY 16 will be passed.

State contact negotiations:

The governor is holding public services hostage to get his agenda
Read the attached negotiation update from Rich Miller/AFSCME31.

Outsourcing: we need to educate members and young workers of the dangers of unrestrained outsourcing.

The 2016 elections:

We are in a war for the next 3 years. Retirees know what is at stake. What we did to win the benefits we have.

The primaries will be important. We have to connect with our legislators. Tell them we will support those being challenged by Rauner candidates. That they can vote their district’s interests and survive.

ILARA President Franklin’s report:

Jeanne Cameron, the new director, will be visiting retiree sub-chapters. Our member message to politicians-”We’ll remember in November.”

Fed level issues: Oppose the TPP for it’s influence on future retiree patient drug costs. We will be asking local governments to pass resolutions opposing the TPP. President Franklin suggests that we ask like minded Healthcare providers to bring this up at their association meetings.

Good afternoon,

First, I wanted to congratulate everyone who participated in the rallies last week. The turnout was larger than expected in all regions, in Springfield for instance we were expected 700 people and over 2,000 people showed up!

Read more about it here: <http://www.afscme31.org/news/thousands-of-working-families-rally-for-fairness-across-illinois>

Rauner has been working tirelessly since he announced his candidacy to divide the labor movement in Illinois, so these rallies -along with boosting our member's morale- send a strong message to the administration that we remain united and willing to fight.

Predictably, after the last rallies concluded and seeing how much media attention state workers and retirees were receiving, Rauner attempted to retake the news cycle. He had Pam Kogler at CMS-Benefits (the person who manages Medicare Advantage and other state health insurance plans, and presents at the Medicare Advantage seminars) write a letter to all state workers. This letter attempted to make the administrations targeting of health insurance look "reasonable." Read more about it here: <http://www.sj-r.com/article/20151211/NEWS/151219893/0/SEARCH/?Start=2>

As you can see, the letter sent from CMS to employees was rife with misinformation, and was political in nature- designed to portray the administration as reasonable after a week of coverage of union rallies around the state.

First off, CMS is not just now "identifying and removing those individuals who are defrauding the system"- this has been going on for some years. Remember the "Dependent Audit" back in the fall of 2013, when the state required retirees with dependents to prove that they were still married/alive by providing a marriage certificate, bank statement and IRS tax transcript to CMS, or risk being dropped from health coverage? The state essentially hires a third-party out-of-state company to devise a method to drop as many people from state coverage as possible. This company accomplishes this, and gets paid handsomely in return, by making their letters with retirees seem as ominous as possible and asking for very sensitive personal info. Retirees think it's a scam and discard the letter, and eventually get dropped from coverage.

The letter also says that CMS is "shifting towards a "consumer-focused" model of health insurance and away from a "one-size-fits-all" approach."

This implies that there is only one choice for state workers/retirees, or there is no distinction in choice- an absurd statement since every state worker and retiree has access to at least both a PPO and HMO plan, and often several-

which is about as meaningful a distinction as exists in healthcare plans. Also, when Rauner/Kogler says that "the state still paying a majority of employee health insurance costs," this should just be plain offensive to anyone that uses these plans. Federal law requires that plan participants pay no more than 40% of costs- anything more expensive is illegal. This is a classic obfuscation where Rauner/Kogler want to make it appear as if they are making concessions, when really they are pressing for the worst possible health insurance for employees and retirees in bargaining (remember when Rauner said workers and retirees should have "Bronze" plans?) Essentially, Rauner & Co. not only want to drastically drive up the cost of health insurance, they want to make it seem like they are making a "concession" in doing so.

Finally, please note the last paragraph in the article where CMS refers to state health plans as "Luxury" healthcare plans? I've heard people call their healthcare plans a lot of things, but "luxury" is one I've never heard. This is especially ridiculous since this comes at a time when many workers/retirees are not even able to use their health insurance due to the Rauner administrations cessation of payments to health plans, and are forced to pay for their healthcare upfront or go without. As anyone on state health insurance will tell you, plans have not exactly improved over the last 5 years. But like so many other attacks on retirement security, politicians and pundits will oversee cuts to your benefits then wait a matter of days before again portraying your retirement benefits as "too generous."

-Dave

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