

**Teamsters Local 118  
Rochester New York  
130 Metro Park 14623**

*Statement and Testimony to the NYS Senate and Assembly Health Committee*

***New York Health Act***

A.5248/S.3577

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Good morning Members of the Committee and thank you for the opportunity to speak before you regarding the proposed New York Health Act. You may find it surprising that I have a passion for dealing with employers and our members on the subject of Healthcare. It is not a subject that my organization shies away from and it is something I am very passionate about.

At the local level alone, Teamsters 118 represents about 4,300 Members at over 80 different employers. I maintain the position of Trustee on two separate Health Funds where many other Teamster Local Unions from across New York turn to for Healthcare benefits. Between the two funds I am part of, our collective Boards oversee healthcare costs and benefits for over 30,000 individuals as well as protecting a large retiree demographic. I have a unique situation of being a Trustee on one fund that is fully insured and the other which is self-funded. It is certainly worth noting that in addition to our employers participating in the jointly administered fund arrangements, we also maintain many labor agreements where the collective bargaining process has resulted in company sponsored plans. For nearly 25 years I have been negotiating labor contracts, and it is a fact that the cost of Healthcare is the driving force that affects wages and retirement income for our members.

It is with that experience and background that I derive my opinion and opposition to the proposed New York Health Act. It is my opinion from those 25 years of experience, that we (as a national society) still need to address the issue of universal quality and affordable health care.

I will focus my comments in relation to collective bargaining, cost and current environment opportunities.

**Collective Bargaining:** Unions spend countless hours negotiating labor contracts where ultimately the three largest economic issues of wages, healthcare and retirement determine the outcome of negotiations. Many contracts are long-standing agreements where many dollars that otherwise could have been placed into wages have been traded off for the purpose of maintaining quality affordable healthcare benefits. The New York Health Act offers no definitive way to undo decades of collective bargaining or specifically address the issue of how Union members will see a real dollar benefit compared to their historical sacrifices on wages and retirement in order to preserve healthcare benefits. In short, you are proposing to eliminate one of the three primary methods through which we deliver benefits to our members without an idea of how this will affect our ability to bargain over wages and retirement.

**Cost:** The proposed Health Act talks about 100% funding derived by certain taxes on employers with up to twenty percent (20%) of the cost picked up by employees. It is impossible to determine what the 20% will be if there is no idea of what the total cost will be. While the legislation suggests that employers can pay the 20% of the employee share, we would be forced to bargain over an undetermined amount where in many cases our members currently

pay nothing. Without any detail or reliable cost analysis it is not feasible to determine if anyone will be financially better off under the Act, and if we were to be forced into bargaining over the 20%, what would our sacrifices be when an employer agrees to pay the 20%?

Current Environment opportunities: New York State is able to claim that nearly 95% of all New Yorkers are covered under some form of healthcare coverage. Most are covered through employer and or Union sponsored benefit plans. In our experience, employees are satisfied with their coverage. State and Federal programs continue to offer options that can work for all New York residents. While the State has in fact improved on lowering the uninsured rate, more work needs to be done regarding awareness, accessibility and education on the many programs that are now available. In many cases where a potential retiree claims they cannot retire because of retiree medical costs, it is ultimately determined that they are eligible for a subsidized plan through a State or Federal program.

I have also seen first-hand how employers and Unions are working to control costs. As a Health Fund Trustee and Business Agent it is refreshing to engage with employers in meaningful dialog that have had positive outcomes. The creation of self-funded groups, consortiums and other grouped efforts through providers continues to evolve and produce quality benefits while controlling costs. In fact, the NYS Teamsters self-funded plan covering approximately 30,000 individuals and has not experienced a rate increase above 4% in many years. I am proud to state we have been able to do this without trimming benefits. This is a result of working closely and negotiating with all of our service providers within the current structure. Other healthcare arrangements within our employer base are reporting similar successes and continue to make progress in cost saving measures.

In closing, we do not believe the Act is sufficient enough to replace the healthcare coverage currently in place covering 95% of the New York population today. The risk of a potentially failed program is outweighed by a system that may not be perfect, but does work. And lastly, we believe that progress within the current system can continue to be made without interfering with the collective bargaining process.

Thank you for providing me the opportunity to speak before you today.