

New York hospital workers face massive concessions in reopened contract

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New York City hospital workers, members of 1199SEIU, are facing nearly a billion dollars in wage givebacks, \$350 million in benefit takeaways, and attacks on their pension benefits as a result of the union's reopening of a 2007 contract. The contract covers 145,000 active workers and 48,000 retirees. The union is expected to submit the concessions to a rank and file vote soon.

The 1199SEIU bureaucracy, headed by national healthcare union president Dennis Rivera, justified the contract reopening with the argument that the Wall Street collapse had endangered the union's pension funds, which had dropped in value by about 30 percent. The union's "solution" to the crisis was to demand that the rank and file workers, already struggling to support their families on wages averaging less than \$30,000 annually, give up their scheduled wage increases over the next several years, along with other concessions.

1199 signed a Memorandum of Agreement, dated July 19, 2009, with the League of Voluntary Hospitals and Homes, representing 108 hospitals and nursing homes in the New York area. The SEIU is insisting that members ratify a new contract that will bind them for six more years with no opportunity to strike. The current contract was set to expire on September 30, 2011 but will now run until April 30, 2015.

The wage takeaways alone amount to almost a billion dollars. SEIU officials have agreed to eliminate all of the members' 3 percent wage increase ratified in the current contract and scheduled to be paid on December 1, 2009. They want to eliminate 1 percent of the wage increase scheduled for December 1, 2010, and postpone the remaining two percent until March 2011, leaving workers with a nearly two-year wage freeze. There will be no pay increase in 2012, only a 2.5 percent lump sum payment. Hospital workers are promised a 2.5 percent wage increase in October 2013 and again in 2014, but not before the League has the right to re-open the contract in September 2013. Hospital workers are therefore faced with the possibility of a six-year period during which their base wages are increased by only 2 percent.

As hospital workers begin to hear about new healthcare insurance premium hikes, the total benefit cuts the SEIU is attempting to force on its members through the reopening totals \$350 million.

As far as saving pensions, the supposed reason for the concessions in the first place, the fine print indicates otherwise. While the employers agree to increase annual contributions to the pension funds in several steps, existing and future pension benefits are also cut as part of the deal. Active workers will lose the full pension increase negotiated in the existing 2007 contract, when the multiplier used to calculate pension benefits was raised from 1.85 to 1.875. All retirees will lose their Cost of Living Adjustments (COLA) due to be paid in December of 2009 and the COLA due to be paid in 2010.

Finally there will be a new and substantially lower pension for workers hired after August 1, 2009. New workers will have their pensions reduced by a minimum of 14 percent. This tier for the pension system will actually be far lower because not only is the multiplier reduced by 14 percent, but the wage figure it multiplies will be much less because it will be calculated on the average wage over the last 10 years, not the last five years as it is under the present agreement.

Nursing home workers may suffer another round of concessions after Medicare and Medicaid cuts are implemented as part of the Obama administration's fraudulent health care "reform" inching its way through Congress. The Memorandum states, "Scheduled changes to Medicaid and Medicare reimbursement may place the nursing home Employers (including hospital affiliated nursing homes) ("Homes") at a competitive disadvantage. Accordingly, the League and the Union shall promptly appoint an equal number of members to a task force." The task force "shall recommend steps which will allow the Homes to compete."

In other words, in the name of remaining competitive, it is the rank and file workers, including the low-paid nursing home workers, who will pay the price,

The current round of wage and benefit concessions demonstrates the crucial role the unions, and SEIU1199 in particular, are playing in making the working class pay for the deepening economic crisis. It was Dennis Rivera who played a key role in convening the series of meetings of health care executives at the White House in May that led to a much-touted pledge to reduce the growth rate in national health care costs by 1.5 percent on an annualized basis over the coming decade.

It is not clear what the hospital corporations, insurance firms

and pharmaceutical companies that joined Rivera at the White House have done to achieve this cut in cost increases, but the union has delivered by slashing the wages and living standards of hospital workers.

Crain's New York Business, the well-known voice of the corporate establishment, recently published a revealing profile of Dennis Rivera, praising him and the SEIU for their role in lobbying for Obama's healthcare plan.

The article describes how Rivera and SEIU president Andy Stern became the most prominent advocates of the Obama administration's cost-cutting healthcare plan.

Crain's writes how Rivera goes to the "war room" at SEIU union headquarters in Washington every morning to supervise efforts on behalf of the Obama legislation. This operation is costing union members \$10 million, and the SEIU has hired 400 employees to lobby Congress.

According to the article, it was Rivera's initiative that induced insurance, hospital and drug company CEOs to stand together with the union bureaucrats at the White House in May in support of cost cutting. Before their public appearance, the union joined with the corporations and White House officials for a series of seven meetings. The director of the White House Office of Health Reform told the magazine that at first the proposal for the meetings seemed unrealistic, "but when Dennis came and started talking about it, he made it seem possible."

These efforts in collaboration with the Obama administration and the profit-making conglomerates that dominate health care in the US, together with the drive to impose concessions, demonstrate that, far from defending the interests of hospital workers, the union has become an integral partner in the drive to impose the burden of the economic crisis on the backs of the working class.

The *World Socialist Web Site* recently spoke to workers at Columbia-Presbyterian Medical Center in upper Manhattan about the proposed concessions and other issues they face.

Dellia Charles has worked at the hospital for six years as a dental assistant. "I think [the concessions] stinks, especially with the health care issue," she said. "What I am hearing is that we are going to have to pay health care premiums for private insurance policies. They told us about two options. You can get the Aetna plan if you only have to cover yourself and it won't cost anything, but for a family you will have to get a Cigna policy and this will cost \$80 per month. How am I going to pay this?"

Epifania Aybar, with 20 years in housekeeping, said: "The union does what they want to all the time. I got a raise last year of 2 percent. I make about \$30,000 a year and this doesn't pay all my bills. We have to pay co-payments now almost all of the time. A few months ago I went to the pharmacy to get a cream, and they demanded a co-payment of \$400. I couldn't pay for my medicine. This started about two years ago. I have heard that there will be more benefit takeaways because this is what they do all the time. And they are going to raise our union

dues."

Jajaira Baez has been a union member for 15 years. She is an administrative assistant. "I hoped they would add another higher level for clerical workers to make more pay because I have been stuck at level 6 for 8 years, so the only pay increases I can get now are the very low contract increments," she said. "What I make now is barely above what a newly hired worker will make. My area of work is overseeing the financial aid loans for the medical and dental students from Columbia University. They are having a hard time because so many lenders are dropping out and not making educational loans."

Dr. Michael Goldberg is a neurologist who is not in 1199SEIU, but stopped to comment because he opposes the growth in inequality. He told the WSWS: "I think all people deserve a reasonable living wage. There is a tremendous disparity between the wages workers earn and what the company CEOs make. I don't agree with this. I am a neurologist and work mostly in the lab and don't see patients, but I know workers here have lousy health care, because most doctors won't accept it."

Christine Baker is in 1199SEIU and has worked for 10 years at Montefiore Hospital in the Bronx. "The next raise will be in 2011," she said. "Then there will be 2.5 percent we will get as a lump sum, but no raise in 2012. I think the union is in bed with the hospitals. Prices are high and getting higher. We need our raises. I am an X-ray technician and I work at Montefiore. Now they are cracking down on time, punching in and out. Now you can't be a minute late. Before, they used to give you seven minutes latitude. No doctors want to take our health care coverage. No dentists want to take it either, it is so bad. I never trusted the union pension program in the first place. That is why I took out a 401(k) plan on my own, but with the stock market collapse I have lost that. I am not voting for this contract."



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