

# Healthcare cuts planned as part of UAW-Fiat Chrysler deal

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A major component of the agreement between the United Auto Workers and Fiat Chrysler (FCA) relates to healthcare cuts.

In a posting on its Facebook page, the UAW International claimed there were no healthcare concessions contained in the agreement except a requirement to pay \$100 for emergency room visits if workers or their dependents are not admitted to the hospital.

In fact, far more is involved. According to the *Detroit News*, the UAW has agreed to work with the company to reduce benefits and increase out-of-pocket healthcare expenses, including the first ever deductibles for tier-one workers.

This is in line with the Obama administration's policy of shifting the costs of healthcare from the corporations to workers. Part of the Affordable Care Act includes a "Cadillac Tax" in 2018, which would levy a 40 percent tax on plans costing more than \$10,200 per year, or family plans that cost more than \$27,500 annually.

In a letter to Norwood Jewell contained in the agreement, UAW Vice President of the FCA department, Kathleen Neal, a healthcare benefits executive at FCA, wrote: "Should any health care plan offered by the company be expected to exceed the government-mandated per employee dollar limits and be subject to the tax, the parties will employ a process similar to that used in Letter C-14 to find areas of opportunity to reduce costs.

"The parties further agree that a member who voluntarily remains in such plan will be subject to a maximum deductible of \$400 for single coverage and \$800 for family."

Tier-two workers already pay \$300 deductibles for individual coverage and \$600 for families. Their

individual plans also have a 10 percent co-insurance contribution of up to \$700 a year, with family plans carrying co-insurance of up to \$1,400 a year.

The only "gap" the UAW intends to close is to bring down the healthcare benefits of first-tier workers to the inferior level of their second-tier counterparts.

The UAW and the company have agreed to establish a union-run health care co-op and to invite GM and Ford to join it. The co-op, according to the *News*, would have a board comprised of two representatives from each company and two representatives from the UAW Retiree Medical Benefits Trust. With control of another multibillion dollar slush fund, UAW executives would have a financial incentive to slash benefits.

The UAW's own "highlights" for the contract state, "Knowing that *there is no realistic way for us to protect our quality health care and cut costs*, we proposed the trailblazing idea to create a health care cooperative (co-op) to provide medical benefits for active employees in the same way that we had the foresight to establish the Voluntary Employee Beneficiary Association (VEBA) in 2007 to protect health care for UAW retirees."

The establishment of the VEBA was followed immediately by significant cuts for retirees.

"We're scared of this health care co-op proposal," said Frances, an autoworker participating in a demonstration outside of the UAW headquarters on Wednesday. "The retirees are already paying more co-pays and premiums under the UAW health care trust. I want my money but we're fighting for the next generation too. If we don't, wages will be capped at \$10 an hour and our grandkids will have no future."



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