

West Virginia: Task force concludes without a “fix” for public workers’ insurance

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17 December 2018

After nine months, 21 statewide public hearings, and 15 committee meetings, the Public Employees Insurance Agency (PEIA) Task Force finalized its recommendations at the December 11 deadline without addressing its main task: identifying a dedicated revenue source for the state’s health insurance program covering some 230,000 West Virginians, including teachers, school service personnel, state employees, and retirees.

Throughout the strike and the pro-forma hearings staffed by union heads and state politicians, teachers and public service workers repeatedly demanded that health care be funded through hiking the taxes on the state’s oil and gas industry. This was, predictably, to no avail.

The 29-member PEIA Task Force is exposed for what it always was—a trap for the teachers and public employees of the state and a pretext used by the unions to falsely claim the strike was a “victory.”

Created by executive order by Republican Governor Jim Justice on February 28 and dominated by politicians and industry representatives, the Task Force also included Dale Lee, president of the West Virginia Education Association, Christine Campbell, president of the American Federation of Teachers-West Virginia, and James “Joe” White, executive director of the West Virginia School Service Personnel Association. Its real purpose was not to “fix” the skyrocketing costs of health care for hard-pressed state workers, but to defuse the nine-day statewide strike of 20,000 public school teachers and support staff.

The primary role in shutting down the strike was played by the trade unions—the WVEA, the AFT-WV, and the WVSSPA—and the Democratic Party. Playing a critical role were the various fake left groups which orbit around both, including the Democratic Socialists of America (DSA), the International Socialist Organization (ISO), and the Labor Notes group.

The *World Socialist Web Site Teacher Newsletter* warned teachers from the beginning of the role of the unions, calling on educators to elect independent rank-and-file committees in every school and community. This included warning that

nothing would be resolved by another “task force,” which was beholden to the same corporate interests as the rest of the state government. Teachers could prevail, we insisted, only if they fought for the broadest mobilization of the working class, including coordinating with teachers in other states to prepare a general strike to defend public education, health care and pensions. We pointed to the role of both Democrats and Republicans seeking to place an ever-greater share of health care costs on the backs of workers, in fact, seeking to reduce life expectancy.

The unions along with their pseudo-left acolytes, however, shut down the West Virginia strike as support for the struggle to defend public education was escalating nationally. The unions mobilized a small army of national functionaries to fly into Charleston including American Federation of Teachers President Randi Weingarten for the purpose of suppressing the strike and directing teachers’ militancy behind the Democrats in the November mid-term elections with the slogan “Remember in November.”

Having promoted the PEIA Task Force and the Democrats as the way forward for teachers, the unions are keenly aware of the danger posed by the failure of both to resolve one of the main demands raised by teachers in the strike: fixing PEIA through additional funding. In an effort to prevent the teachers from renewing their struggle to defend public education and their living standards and working conditions, new traps are being laid and more confusion is being sown.

“I still have faith in the task force to fulfill the role we were assigned,” commented WVEA President Dale Lee on the announcement that the task force would have no recommendation for a new permanent source of revenue. “I would think what we need to do is to continue on, at least through the legislative session.”

With the deadline looming, Mike Hall, PEIA Task Force Chairman and chief of staff for the state’s billionaire coal baron governor, announced December 10 that the task force would indeed continue its work into the new year, thus continuing the illusion that the panel dominated by politicians, industry representatives, and union officials will

address the needs of the state's teachers and public sector workers.

From its first meeting on March 13, the PEIA Task Force has been a cynical charade, with scheduled meetings cancelled without explanation, and at times, months passing between meetings. In an effort to show some last-minute activity, the task force approved recommendations on December 10 to eliminate the penalties for obtaining out-of-state medical services, aimed at addressing a common complaint of members living in the state's northern and eastern panhandles. The proposal will lower the out-of-state coinsurance rate from 30 percent to the standard 20 percent and eliminate a \$25 copay and facility fees.

The task force also approved a proposed appeals process for members who require Tier 3 non-preferred brand name prescription drugs, which currently carry a 75 percent copayment rate. Under the proposal, a member requiring such drugs could submit an appeal, and if approved, be subject to the standard \$25-a-month copay.

However, these minor changes will only exacerbate PEIA's budget crisis, with PEIA Executive Director Ted Cheatham noting that the two changes alone would increase PEIA's costs by about \$8 million for the 2019-20 plan year, which begins July 1, 2019, and raise the projected amount of additional state revenue needed to balance the 2020-21 plan to about \$120 million. At the current 5 percent medical cost inflation rate, Cheatham warned that PEIA would need an additional \$250 million five years from now.

For his part, Governor Justice has stated he is working independently of the PEIA Task Force to find a solution, including a possible privatization of the state-run plan. In a transparent election-year maneuver, Justice announced at a press conference with state Republicans on October 2 that he would be offering an additional 5 percent pay raise to teachers and state workers next year, on top of the 5 percent raise granted this year to end the strike, as well as a one-time additional \$100 million state appropriation for PEIA.

Governor Justice's promise of what amounts to around an additional \$240 million in state expenditure will still require approval by the Republican-controlled state legislature, which is unlikely to say the least. The cynicism of the stunt was noted by *Charleston Gazette-Mail* reporter Phil Kabler: "That Justice had to twice prompt his fellow Republicans to applaud for the pay raises and PEIA funding proposals speaks volumes."

The impact of the betrayal of the teachers' strike is being revealed not just in the failure of the PEIA Task Force. On November 16, West Virginia Schools Superintendent Steve Paine announced that prekindergarten through 12th-grade public school enrollment fell by 4,858 students from last year to about 270,600—the largest drop since 2000-01. This

is on top of a 2,557 drop in enrollment registered the year before and will likely be felt through the slashing of millions from public education via the state's school aid funding formula which is based on enrollment.

Part of this drop is the product of the loss of about 2,000 prekindergarten students this year due to the passage of Senate Bill 186 in the 2017 legislative session. The legislation, co-sponsored by State Senator Richard Ojeda, who was heavily promoted as the unsuccessful Democratic candidate for Congress in the 3rd Congressional District, raised the age for free enrollment in prekindergarten from 3 to 4 years old for children without special needs.

Additionally, there are indications that many teachers and state workers are leaving their jobs and possibly the state altogether. The PEIA Finance Board attributed its 2017-18 plan year surplus to a combination of strong investment earnings and lower-than-expected claims costs as members cut back on their health care consumption and as many as 2,000 workers dropped off the rolls.

Teachers and state workers must draw the necessary political conclusions from the betrayal of the strike and the dead-end its union leadership and the Democrats have led them into. New organizations must be built—independent workplace and neighborhood committees—to deepen the struggle in defense of public education and their living standards.

These committees must take as their starting point a socialist perspective aimed at reorganizing the economy and society to meet pressing social needs and not private profit. This requires a frontal assault on the wealth of the billionaires, from Jim Justice to Wall Street, so that the resources created by the working class can be utilized to end poverty and to fully fund and expand education and health care for all.



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