How Ford and the UAW plan to cut autoworkers' health care

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In the highlights that were given to Ford workers about the health plan, the UAW claims, "There will be no reduction in health care benefits or increase in cost to members." The same assurances were given to GM workers in the settlement that was just declared ratified last week. In both instances, there is no reason to believe these assurances.

The union and Ford management realized that, with the bribery scandal discrediting the union leadership and the GM contract only narrowly approved after 40 days on strike, it was impossible to openly and directly shift the cost of health care to Ford workers through increases in premiums, copays or deductibles. Workers would rebel against such an effort.

But for the company, such cost-cutting is a necessity to defend its position on the global market. So, the goal has to be accomplished in a different, subtle and more roundabout way.

In that context, autoworkers should be aware that language in the 2015 contract, which is carried over unchanged in 2019, makes it possible for the company and the union to implement cost savings in health care at workers' expense without any recourse for those who will suffer the consequences.

One key section of both the 2015 and 2019 contracts reads as follows:

"The company and union have recognized the importance of providing quality health care in a cost-efficient manner by addressing these issues in previous negotiations and by implementing pilot programs which have met our mutual objectives. The parties believe that joint efforts addressing both quality improvement and the ongoing cost-effectiveness of benefits provided to employees should be continued.

"The company and union reemphasized their commitment that the Company-Union Committee … is to investigate, consider and, upon mutual agreement, engage in activities that have high potential for cost savings and improvement of quality of care."

The references to quality of care are just window dressing. There is little doubt that the UAW assured Ford management that going forward, the Company-Union Committee, one of many such corporatist bodies that integrate union officials into the structure of management, will work day and night to help implement cost savings in health care.

There are two primary methods Ford plans to use to cut costs in health care until the company can actually increase premiums, copays and deductibles, and slash benefits.

The first is through the elimination of so-called legacy workers and the hiring of more lower-tier and temp workers, who are younger and healthier, and who receive inferior health benefits. Temporary part-time and full-time employees, for example, do not start benefits until 90 days after hires or rehires. Benefits exclude vision and dental, and do not cover dependents.

As with the GM contract, there is virtually no limitation in the Ford contract on the hiring of temporary workers who are compelled to pay union dues. Anything is possible if the UAW agrees to it, and there is no doubt that the bribed company agents in Solidarity House will do what the company tells them.

The other method Ford will use to cut health care costs is setting up narrow provider networks.

The proposed contract reads, like the previous contract, "The company expressed concern that the Traditional Plan has become increasingly less cost-effective and indicated that more favorable provider rates might be obtained if the network of participating providers was narrowed.

"The control plan will assume responsibility for

establishing the new PPO network and for managing day-to-day operations subject to the approval of the Company-Union Committee."

Again, during the life of the 2015 contract, Ford, the UAW and Blue Cross did not implement the new provider network. Ford and the union are aware that workers will not like a provider network with many fewer hospitals, doctors, and labs when they currently have a large network of Blue Cross providers. But it is likely they will now attempt to do so, because it would save the company money in several ways.

It would lower payments to doctors for services they provide. If the doctors do not accept low reimbursement rates, they will not be able to participate in the network and provide health care to their Ford patients. The health plan would regularly audit doctors in the narrow network to make sure they do not use expensive tests, such as MRIs. The Company-Union Committee would monitor costly procedures and surgeries and propose changes to further cut costs.

In that context, it is significant that the 2019 contract establishes a new HAP plan, run by Henry Ford Hospital with a narrower network than the Traditional Care Plan run by Blue Cross. This will be offered as an option to temporary workers effective January 1, 2021.

The UAW highlights are entirely silent on the implications of such changes in autoworker health benefits, where workers could well be transferred into new networks at various times and have to change providers. The union and the company are going to oversee the creation of these narrow networks through the Company-Union Committee, which must approve all the day-to-day work of the health plan administered nationally by Blue Cross Blue Shield of Michigan.

There are other measures taken to cut costs, including an increase in office visit copays and mental health outpatient visit co-pays from $20 to $25 after two years. Disease Management will be offered by the health care carrier or other provider, whichever is more cost-effective.

There is also concern among workers about new language on opioid testing and treatment. The 2019 contract provides for a study that "will be conducted by the UAW-Ford National Employee Support Services Program Committee." This panel will oversee a pilot program for UAW Local 862 in Louisville, Kentucky, that includes experimenting with "alternative" treatments for addiction.

In other words, opioid abuse treatment will be decided by the company and its union accomplices—who are not medical specialists—but rather seek to use such issues to cut treatment costs, penalize or victimize workers, and possibly violate their privacy.