

1,100 workers go on strike at Blue Cross Blue Shield of Michigan

Kevin Reed, Jerry White
13 September 2023

More than 1,100 Blue Cross Blue Shield (BCBS) of Michigan workers, members of the United Auto Workers (UAW) went on strike on Wednesday night following the expiration of their contract.

The office workers, who staff call centers, process insurance claims and bills and work in maintenance, are demanding an end to the hated tiered wage system, significant wage and benefit increases, improved working conditions and restoration of jobs replaced by outsourcing to contractors.

The workers joined picket lines at BCBS offices in downtown Detroit, Lansing and Grand Rapids, Michigan early Wednesday chanting “No contract, no work.” The strike, which began officially at 12:01 a.m., was authorized by the workers in August with a 95 percent vote of the UAW members in Local 1781, Local 2500, Local 2145 and Local 2256.

The contracting out of work to offshore sources is a major issue the workers face, with their numbers vastly reduced over recent decades. As one worker on the picket line in Detroit explained, “Statewide in 1993, I think we had over 3,000 members and now we’re down to just over 1,400. We’re down at least half if not more.”

Then the worker explained that workloads have increased, “They keep raising our responsibilities; more and more that we have to handle, but they don’t want to compensate us for it. The compensation hasn’t gone up in over a decade. We’re taking on all that extra work from the people that have left.”

Another major issue is the multitiered pay system which requires new employees to work for BCBS for a staggering 22 years before reaching wage parity with coworkers. A striking worker discussed with our reporter what it is like to work as a BCBS customer service rep for \$18.55 per hour.

When asked what it takes to live on this wage, the worker said, “Having a second job is helpful, trying not to spend money on outside things and trying not to drive as much. I mean, it’s just tough. There are ways around it, but it’s not easy.”

He then explained that the problems facing other sections of the population are very similar, “There’s a lot of other industries too like teachers and healthcare workers. Then there are elderly people on their own and everything they’re going through with Social Security and health insurance for them and what’s available. ... I think the more you read about it or hear about other people’s perspectives, the more it just kind of resonates.”

The strike by BCBS of Michigan workers is part of a growing wave of struggles by workers across all industries against more than four decades of attacks on their living standards, working conditions and basic rights.

The fact is that the UAW bureaucracy, just like it has done throughout the auto industry, pushed successive concession contracts on workers at BCBS of Michigan and agreed to the tiered wage system while claiming that this was the only way to keep their jobs.

The UAW members at BCBS Michigan have walked out less than 48 hours before the expiration of the contract for 150,000 autoworkers at GM, Ford and Stellantis. Autoworkers are facing a dual struggle against the intransigence of the auto manufacturers and the UAW bureaucracy, which are jointly working to block a unified strike from breaking out.

In a sure signal that the UAW bureaucracy is preparing a massive sellout, UAW President Shawn Fain announced Wednesday that the union would limit any work stoppage to only a few plants and keep the vast majority of workers on the job under expired

contracts.

The demands of autoworkers are the same as those of the BCBS workers: the restoration of concessions made by the UAW in past contracts and major gains in wages and benefits.

The role of the UAW apparatus in blocking the unified struggle of workers against the employers is on display at BCBS, where the union is keeping other members who work for Blue Care Network, the health maintenance organization (HMO) within BCBS, on the job while the strike is underway. This is being defended by the UAW apparatus on the grounds that the contract for Blue Care Network workers will not expire until December 15.

Sitting on the board of directors along side top executives from the auto companies and other major corporations are top union officials, including International UAW official Renee Turner-Bailey, retired International officers Susanne Mitchell, Sarah Doyle and Gerald Kariem; William Black of the Michigan Teamsters, Patrick Devlin of the Michigan Building Trades Council and Paula Herbart of the Michigan Education Association. Also on the board is Michigan AFL-CIO President Ronald Bieber, whose father, former UAW President Owen Bieber oversaw the sellout of the 1987 strike by UAW members at Blue Cross Blue Shield.

Commenting on the fact that UAW members were striking against a corporate management consisting of top union officials, a veteran worker said, “That’s a huge conflict of interest, isn’t it? We’re at the bottom of that pile. That’s exactly why we’re out here to stop stuff like that.”

Addressing herself to rank-and-file autoworkers, she said, “Let’s fight for this. We have to stand up and fight for what we deserve. It’s time.”

One outcome of the decades of betrayals by the UAW has been an enormous increase in the profitability of the corporations and the enrichment of the top executives who run them. In the case of BCBS of Michigan, part of an ostensibly not-for-profit “501(c)(4) public welfare organization,” CEO Daniel Loepp was paid a total of \$16.9 million in cash compensation in 2022.

CEO Loepp was paid this enormous sum, \$13.8 million of which was a bonus and \$1.3 million was his base salary, even though the organization had a net loss

of \$777 million in 2022. According to BCBS spokesman Andy Hetzel, Loepp was entitled to massive payout because he led the company “through three years of the pandemic in an uneasy economy, while the healthcare ecosystem was relying on us more than ever.”

Meanwhile, the income and living standards of BCBS workers have steadily fallen. As one striker said, “The economy has changed. We need an upgrade in our pay and bonuses. We just need a lift because the economy has gotten bad. We are just as important as anybody who is higher up or a CEO. We have gotten raises, but the raises are not substantial enough to keep us ahead of what America has been going through.”

The last strike by BCBS of Michigan workers was in 1993, and there was also an 83-day walkout in 1987. In 2009, in line with the massive concessions at the Big Three, the UAW accepted a two-tier system, eliminated COLA and gave up other concessions. Union officials claim the wage gap has been closed but second-tier workers have no pensions (just 401k) or retiree healthcare benefits, and substandard paid sick time benefits.

If this struggle is not to be betrayed, Blue Cross workers must take the conduct of the fight in their own hands by forming a rank-and-file committee, demanding complete oversight of all negotiations, an increase in strike pay to \$750 and an all-out strike by autoworkers.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact