

UAW reports sellout contract ratified by Blue Cross Blue Shield workers

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On Wednesday, the UAW announced that workers at Blue Cross Blue Shield (BCBS) and Blue Care Network (BCN) of Michigan had ratified a contract that had been agreed to in secret on November 28 between union president Shawn Fain and the CEO of the insurance company Daniel Loepp.

In a post on X (formerly Twitter), the UAW said, “Congratulations to Blue Cross Blue Shield workers who have voted by 89 percent to ratify their new contract!” The UAW bureaucracy has not reported the number of workers who voted on the contract in Detroit, Lansing or Grand Rapids or the number who abstained.

In a statement on the UAW website the following day, the union followed the pattern of presenting its latest sellout agreement as a “record contract” which contains “historic gains” and “significant improvements” for the members of UAW Locals 1781, 2500, 2145 and 2256.

In making these blatantly false claims, the UAW is pointing to the pathetic 5 percent raise for the lowest wage tier, a one-time signing bonus and annual “inflation protection bonuses”—which are not cost of living wage increases—all of which will leave BCBS workers poorer at the end of the 3.5 year agreement. The union has also played up the reduction of the outrageous 22-year wage progression period for new hires to five years.

Meanwhile, as explained previously here on the *World Socialist Web Site*, the contract does not provide any wage increases for the vast majority of workers at the largest health insurance company in the state of Michigan, which had \$32.8 billion in revenue in 2022.

While UAW Secretary-Treasurer Margaret Mock issued a statement via X about how “extremely proud” she was of the “huge step in the right direction for our

members,” rank-and-file BCBS and BCN workers were not buying it. Many expressed anger at the way the strike was shut down and their demands completely betrayed by the UAW.

One worker told the WSWS that the outcome of the “very arduous” strike was “disheartening.” Responding to Mock’s post, a worker wrote, “UAW got no balls or spine. Just let the company beat us over the head with our own contract. Some brotherhood. Don’t be fooled by the big talk from the UAW. They got nothing unless you can line their pockets. ‘Crickets.’”

The contract ratification vote was held on December 5 and 6 under conditions where workers were not provided with a copy of the full language of the contract. Instead, just before being told to vote on the deal, workers were given only “highlights” that concealed the concessions agreed to behind their backs.

The customer service, claims, billing and maintenance workers walked off the job on September 13 to demand substantial pay increases and an end to job elimination through the hiring of contract workers. The destruction of jobs at BCBS and BCN through hiring offshore customer service staff has been a major issue for the workers who have seen 4,000 jobs eliminated in recent decades.

According to the union, the contract includes “improved job security language.” The UAW has provided no details about these “job security” arrangements and workers should assume that this verbiage is a cover for the fact that their jobs will continue to be eliminated through outsourcing under the new contract.

By leaving the BCBS workers isolated for three months, including while autoworkers were in the midst of their struggle against the GM, Ford and Stellantis, the UAW wore down the strikers and forced them back

to work.

As a worker commented, “When you dangle a \$6,500 ratification bonus and \$1,000 cost of living bonus in front of people just before Christmas, that have been on strike for 3 months, odds are most people are going to jump on that regardless of what is in the rest of the contract. I have heard that a UAW official along with a couple other Union officials sit on the Board of Directors at Blue Cross. That doesn’t scream conflict of interest? The UAW and Blue Cross are the only ones that made out well here, not the members.”

Throughout the strike, the UAW leadership at the local and international level kept BCBS workers in the dark about the status of the contract fight. After Fain secured sellout agreements with the Big Three before Thanksgiving, using similarly false claims of “historic contracts” for autoworkers, the union bureaucracy went into action to shut down the BCBS strike as soon as possible.

Behind the attacks on the workers at BCBS and BCN is a ferocious drive by the auto companies and other corporate employers to carry out cost reductions, of which health insurance is a major component.

A recent report by healthcare consultants from Mercer, Aon and Willis Towers Watson states that US employers are facing the largest increase in health insurance costs in a decade in 2024. The study says that employers are expecting their healthcare costs to increase between 5.4 and 8.5 percent next year, which is nearly double the rate of this year.

The study also revealed that, while health insurance costs are rising dramatically, employer contributions to these expenses have not been rising.

There is no doubt that these increasing costs were a subject of discussions behind closed doors between the UAW’s Shawn Fain, the Big Three and BCBS executives, as well as the Biden administration. According to the consultants, among the many “solutions” being discussed for these rising costs is that employers will use artificial intelligence to cut administrative staff expenses, meaning the further elimination of jobs.



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