

To: CWA Members

From: CWA State Worker Bargaining Committee

As you may know, CWA and the State negotiating teams met for the first time on Friday, March 11. We have three additional sessions scheduled for March 15, 21 and 22. At the first session, CWA took a non-traditional approach and put an initial healthcare proposal across the table to the Christie Administration. It is clear that health benefits will be a major issue in our upcoming contract and we chose to directly confront the discussion early.

We had 3 goals in moving a health benefits proposal early in negotiations:

- 1. We are trying to stop healthcare from being legislated and becoming a “non-negotiable.” Both Governor Christie and Senate President Steve Sweeney have proposed taking healthcare out of collective bargaining permanently and legislating vastly more expensive healthcare plans for CWA members.**
- 2. We are pressing the Governor on his healthcare proposals and see if we can get him to negotiate. (He refused on Friday.)**
- 3. We are trying to maintain our progressive and affordable approach to healthcare cost sharing and create a fair framework for the approach to increased cost sharing.**

The Governor has asked the Legislature to pass legislation that has workers paying 35% of their healthcare premium. Senator Sweeney introduced his own bill that has workers paying up to 30% of their premium based upon tiers of income levels – so:

- if you earn \$30,000 a year, you will pay 12% of premium
- if you earn \$50,000 a year, you will pay 19% of premium
- if you earn \$100,000 per year, you will pay 30% of premium

**Both of these proposals will increase our contributions by as much as 500% for family coverage.**

**The CWA proposal saves the State 20 – 22% of premium without making quality healthcare unaffordable or destroying our member’s standard of living.**

1. We increase co-pays for doctor visits to \$20.
2. We continue our 1.5% of pay, but we phase in the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> year of the contract some premium shift as well. In the 2<sup>nd</sup> year you would pay 1.5% + 2% of premium. In the 3<sup>rd</sup> year you would pay 1.5% +3% of premium, and in the 4<sup>th</sup> year you would pay 1.5% +5% of premium.

**However, we also “cap” these payments, so that if you have family coverage, you can’t pay more than up to 3% of your pay total, and if you have single coverage, you can’t pay more than 20- 25% of the premium for that coverage total.**

3. We provide economic incentives by which you can lower your healthcare contribution by not smoking, maintaining a healthy weight, or by losing weight.
4. We provide incentives for using generics where they are available and there is no medical reason to use a brand name drug, and a higher co-payment for using a brand name where it is not medically necessary.

CWA has always been on the cutting edge of healthcare cost containment and negotiations. Our proposal continues this tradition because it is policy-driven, it is affordable, it is fair, and it would be collectively bargained.

Examples comparing the three plans are on our website "Cost Comparison of Health Care proposals".