

# We're demanding a say in our health care costs

***"CalPERS must bring transparency and increased competition to the process"***

**S**kyrocketing health insurance premiums are drastically cutting the money available for wage increases, and Local 1000 is pressing CalPERS to do something about it.

Why CalPERS? State law mandates that all state employees must participate in CalPERS-brokered health insurance plans, and many question the amount of competition in the CalPERS process.

"Every year, CalPERS staff negotiates behind closed doors with insurers to set rates for our health care premiums," said Yvonne Walker, Local 1000 vice president for bargaining. "This process of hidden negotiations must end."

On April 22, Local 1000 testified before the CalPERS Health Benefits Committee to demand that they bring unions into negotiations with insurers and provide the information needed so unions can help pressure health insurance companies to hold down premium costs.

"First and foremost, CalPERS must bring transparency and increased competition to the process," said Jim Hard, Local 1000 president. "To accomplish this, CalPERS cannot be allowed to exclude employees and their unions from the process."

"CalPERS has excluded us from bargaining over co-pays, over what types of procedures are covered, and

who can provide our health services," Walker said. "Even worse, they won't share the information we need—like how much profit the insurance companies are making off of us—or the actual cost of health care for our members."

This year, CalPERS requested Blue Shield, Blue Cross and Kaiser to come up with plans that would have premium increases ranging from zero to five percent. In the past, such "demands" by CalPERS simply meant that insurance companies hiked up co-pays and other employee costs, and decreased our health care services.

One example of premium inequity looms

large: in 2008, the largest purchaser of health insurance coverage for school district employees had no premium increases for health plans similar or better than those negotiated by CalPERS. CalPERS premium increases for 2008 average between eight and ten percent.

During the next two months, Local 1000 members will be organizing to demand that CalPERS negotiate for real cost controls and for a lowering of insurance company profits—not just a new round of cost shifting to employees.

If premiums appear to be rising next year, we will also demand that the state accept a larger share of the rising health insurance costs for state workers.

## Health Care Negotiations

### What You Need to Know

- 1) CalPERS currently excludes unions from negotiations over:
  - Premium amounts
  - Types and amounts of employee co-payments
  - What health care procedures are covered
  - What health care providers we use
  - Which counties will be covered by each insurance plan
- 2) Our contract regulates only what portion of premiums the state pays (currently 80 percent) and what portion employees pay (20 percent).
- 3) All state employees are mandated by Government Code to participate in CalPERS' health insurance plans.

### Article 14.8 - Contracting Out

#### Stopping outsourcing of state work

Your union contract contains hundreds of provisions designed to protect your rights. **Article 14.8 - Contracting Out**, protects our jobs from being outsourced. This Article entitles Local 1000 to meet and confer with departments who contract out, to mitigate or avoid the need for that contracting.

#### Your Local 1000 contract guarantees:

- The state must make every effort to hire, utilize and retain bargaining unit employees before hiring private contractors.
- Employees should not be displaced by private contracts.
- Displacement includes layoff, involuntary demotion and involuntary transfer to a new location requiring a change of residence and time base reductions.
- Departments must provide Local 1000 with sufficient information to determine if unnecessary and additional costs are being incurred by contracting out.
- Departments must provide Local 1000 with copies of personal service contracts for services in bargaining unit classifications.
- Any contracting by the state must comply with the process governed by the State Personnel Board (SPB).

#### How to take Action

Contact your Local 1000 steward if you feel your department is not complying with its responsibilities. Your steward will work with you, management and Local 1000's legal and research departments to determine the best course of action. For more information regarding **Article 14.8 - Contracting Out**, review your contract by logging on to [www.seiu1000.org](http://www.seiu1000.org)

## More outsourcing wins recorded; agencies to hire more state workers

Local 1000's efforts to return outsourced positions to state workers yielded three wins last week at the State Personnel Board (SPB). Information technology contracts at the Department of Developmental Services and the Board of Chiropractic Examiners were disapproved, as were janitorial contracts at Caltrans.

Last week Caltrans announced plans to add 75 jobs by taking money from private contracts to fill these new positions in various bargaining units.

"We've expanded our challenges to the outsourcing of our work," said Local 1000 attorney Anne Giese. "We're scaling up our enforcement activities and department by department we'll see more shifts like this occurring in the future."

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**"Our outsourcing fight is more successful when members step up and help us identify illegal contracts."**

—Margarita Maldonado, Bargaining Unit 1 Chair

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The victories combined with the Caltrans policy change show the success of Local 1000's campaign to challenge private contracts that are in apparent violation of state law. Since December 2005, Local 1000 has successfully challenged nearly 100 contracts for personal services and consulting.

"Because so many of Local 1000's outsourcing challenges have been successful, the State Personnel Board (SPB) appears to be giving those disputed contracts closer scrutiny – which usually benefits Local 1000," said Margarita Maldonado, chair of Bargaining Unit 1.

### Local 1000 members expose illicit IT contracts

Action by two Local 1000 members made a difference in the recent outsourcing wins.

An IT worker at the Department of Developmental Services made a sworn declaration, saying the work could be performed adequately by DDS staff, contributing to the SPB board's decision to uphold a Local 1000 challenge to an IT contract.

The SPB executive officer also upheld a Local 1000 challenge for IT contracting at the Board of Chiropractic Examiners that came as a result of a state IT worker coming forward.

"We are more successful when members step up and help us identify illegal contracts," said Maldonado. "This is a way that members can protect our jobs and make themselves heard by the SPB and even the Legislature."

**Errata:** The 4/23 edition of *Update* incorrectly identified the District Labor Council (DLC) of Bob Buckley, Denise Jackson, and steward Mark Swabey. They are members in DLC 765.

FOR MORE INFORMATION, CALL LOCAL 1000 TOLL FREE: (866) 471-SEIU (7348) or visit our website: [www.seiu1000.org](http://www.seiu1000.org)

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