

Groups take stand on health care proposal

A proposal to form a statewide insurance system that would cover all Michigan's public employees is gaining support from organizations around the state.

Michigan House Speaker Andy Dillon predicts his proposal to revamp the state's health care system will get enthusiastic and widespread support as more people understand its potential to save millions of dollars.

"It (the plan unveiled Wednesday) is starting to get more traction," Dillon said Friday, referring to his plan to create a unified health system for thousands of public employees and retirees.

Initially, Dillon's plan would cover some 50,000 state employees, retirees and their dependents. But the plan also has provisions to provide for other public employees — in townships, cities, schools and courts — to enroll in the program,

"If the plan doesn't save money, those groups (of public employees) don't have to join," he said. "But the plan would provide an option."

The plan could save money, Dillon said, by having one negotiator for a larger number of employees

"Why should we have all these separate groups negotiating separately?" he said. "Why not one system to control costs and premiums?"

Similar systems have been successful in other states, Dillon said, "and it could work in Michigan."

'BOLD MOVE'

"We welcome this bold move by our legislators," said Michigan Association of School Administrators Executive Director William Mayes. "It represents the kind of thinking Michigan needs as we face our budget crisis, embrace innovation and lay the groundwork for a new prosperity."

"A statewide insurance system for school employees could dramatically improve the way school districts provide for the needs of their employees," said MASA president Tom Langdon, superintendent of the Big Rapids Public Schools. "Not only would a statewide system save districts money, it would also free up our time. Instead of haggling over carriers, deductibles, and bids, we could return our full attention to teaching and learning."

Joining in the chorus is groups like Detroit Renaissance which praised Dillon for having the "courage and creativity" to propose a bold reform of the way state government and school districts manage health care benefits for employees.

"Michigan public employees have health care benefits that are richer than the average benefits package offered in the public sector and far richer than that enjoyed by private sector workers," said Doug Rothwell, president of Detroit Renaissance. "The plan could be a win-win for state workers and taxpayers. It could reduce the need for layoffs and draconian benefit cuts for state workers and significantly cut costs for taxpayers."

'BILL OF GOODS'

However, that state's largest teachers union, the Michigan Education Association, claims Dillon is trying to sell Michigan taxpayers "a bill of goods" that will overwhelm state government and result in a half million taxpayers seeing their health care become a bureaucratic nightmare.

"Why would anyone believe the state could run anything efficiently when it can't even pass a balanced budget," said Doug Pratt, MEA director of communications. "Why would public school employees trust the health of their families to a state bureaucracy in Lansing?"

According to Pratt, public school employees are already part of health insurance pools, and those employees have already delivered hundreds of millions in savings by accepting lower salaries, cuts to benefits and sharing in the cost of care. Creating an even larger pool becomes cost neutral and when the expense of managing the new health care plan is added in, the savings disappear entirely, he said.

"Michigan taxpayers should not be fooled into thinking this plan would save money," said Pratt.

Rothwell added that while it's hard to say exactly what the savings would be, Dillon should be credited with the political courage to offer one of the most dramatic reforms offered to date to address Michigan's structural budget deficit.

"This is truly structural reform," Rothwell said.

LOSS OF LOCAL CONTROL

The MEA claims Dillon's plan would "take away all local control from school districts and governments to work together with their employees to make the right decisions for their communities."

"The state of Michigan does not have the expertise or record of efficiency to run a large scale health care program. And given the current budget crisis, this is not the time to expand state government for an ill-advised experiment like this one," said Pratt.

Muskegon-based Education Action Group, an outspoken critic of the Michigan Education Special Services Association health care that is favored by the MEA, said the plan holds "great promise" for Michigan public school districts which currently provide their employees with health coverage through MESSA.

"The MEA needs to set its money-making agenda aside for the good of Michigan," said Kyle Olson, EAG vice president. "It's what holds up teacher contract agreements and spurs nasty community fights. The direction Dillon is heading could relieve a lot of that pressure and save significant resources for teacher raises, textbooks or computers. It could prove to be a win-win for everyone."

"Speaker Dillon and the other supporters of this proposal deserve credit for trying to spend our money more wisely," Olson said.