

## Exemptions, Navigators, and New Members

*Big Labor's payback  
from Obamacare*

By F. Vincent Vernuccio

In a “good enough for thee but not for me” display of pure hutzpah, the AFL-CIO is demanding ever increasing exemptions from Obamacare, a law it championed and helped pass.

Kaiser Health News reported on Nov. 6 that the Obama administration may finally be granting one of the demands of its union benefactors. According to Kaiser, “buried in rules issued last week is the disclosure that the administration will propose exempting ‘certain self-insured, self-administered plans’ from the law’s temporary reinsurance fee in 2015 and 2016.”

What are these “self-insured, self-administered plans”? Many are union healthcare plans, of course.

The reinsurance program was created as a way to smooth the transition of insurance companies required to insure everyone, including the very sick. If an insurance plan got an influx of too many sick people, their costs would go up. If a company took on too many sick (expensive) vs. healthy (cheaper) people without assistance it could possibly go out of business.

The reinsurance plan is a \$10 billion system designed to redistribute money from health plans with enough healthy beneficiaries to plans that will struggle due to Obamacare’s mandates. Health plans are charged \$63 per enrollee every year to fund the program.

In September the AFL-CIO passed a resolution which among other things demanded that union healthcare plans be exempt from reinsurance fees. The resolution noted, “The ACA Excise Tax, Reinsurance Fee and other fees will drive the costs of collectively bargained, union administered plans, and other plans that cover unionized workers, to unsupportable levels, resulting in pressure to shift costs to workers, cut wages, and to agree to unacceptable high deductible plans.”

Despite calling Obamacare “highly disruptive,” however, the resolution still noted the AFL-CIO’s support for the healthcare law.

In other words AFL-CIO loves the law as long as everyone else has to do the heavy lifting and it is exempt from the costs.

But the AFL-CIO exemption is just the tip of the iceberg of why unions are continuing to support Obamacare.

Some unions could see large increases in membership as more healthcare jobs come under the government rubric, possibly making unionizing them easier.

In 2012 former Department of Labor official Don Loos, now a senior adviser to the president at the National Right to Work



Photo: UPI

Legal Defense Foundation, was quoted in the bestselling book *Shadowbosses* that “Obamacare is an SEIU and AF-SCME membership ‘net’... designed to eventually capture 21 million forced-dues paying government workers.”

Labor does not need to wait for the full rollout of Obamacare to start seeing its investment pay off. As the Obama administration attempts to sell the healthcare law to an increasingly skeptical public, both unions and the union front organizations called worker centers stand to gain large sums of federal money by acting as “navigators.”

Officially navigators are “An individual or organization that’s trained and able to help consumers, small businesses, and their employees as they look for health coverage options through the Marketplace, including completing eligibility and enrollment forms. These individuals and organizations are required to be unbiased.”

However some navigators are acting more as salesmen to lobby the public to support the new healthcare law.

SEIU President Mary Kay Henry told the Reuters Summit in October, “We’re running phone banks, much as we do in a political election, driving people to community centers. We’re doing sort of group orientation because it’s the way around the website.”

Unions are not the only ones in the labor movement to get in on the \$67 million action allocated to the program. Navigators can earn \$58 per new enrollee and \$25 per renewal in states like California.

On November 1, the House Committee on Education and Workforce announced it would investigate the role worker centers are playing in this scheme.

Committee Chairman Rep. John Kline (R-MN) and Rep. Phil

Roe (R-TN), chairman of the House Subcommittee on Help, Employment, Labor, and Pensions, wrote to Health and Human Services Secretary Kathleen Sebelius pointing to news articles identifying “at least two worker centers, the Restaurant Opportunities Center (ROC) and the Retail Actin Project (RAP), have received PPACA [Obamacare] grants to serve as navigators.”

Reps. Kline and Roe voiced concerns over privacy and if the navigators would use the sensitive information they receive for union organizing campaigns. “Right now navigators with strong ties to labor unions are collecting sensitive information with questionable safeguards. Congress has a responsibility to ensure individuals’ privacy is protected and contact with an ObamaCare navigator doesn’t lead to a phone call from union organizers,” they said in a press release.

On November 6, in response to a question from Sen. John Cornyn (R-TX) at a Senate hearing on Obamacare, Sebelius admitted that there is no federal requirement that navigators undergo a criminal background check and that a convicted felon could become a navigator and receive sensitive personal information. After saying that there could be state law protections, Sebelius added, “We have contracts with the organizations and they have taken the responsibility to screen their individual navigators and make sure they are sufficiently trained for the job.”

As unions get their exemptions, pine for new members, and receive grants from HHS, some act as foot soldiers of the Obamacare PR machine while their current members are hurting.

Many rank and file union members are seeing their hours cut to below 30 a week as employers try to avoid the employer mandate.

Some union leaders have voiced concerns. Teamsters President James P. Hoffa, UFCW President Joseph Hansen, and UNITE-HERE President D. Taylor Senate Majority Leader Harry Reid and House Minority Leader Nancy Pelosi, stating that “the law as it stands will hurt millions of Americans including the members of our respective unions.”

Asking for exemptions and writing letters does not change the healthcare law that is increasingly being seen as a train wreck. In the end, union leaders have more to gain from the law than they have to lose. Their rank-and-file members are different and will be hurting like the many other Americans because of Obamacare. If union leaders were truly concerned about their members and wanted to change the law, they would support its repeal instead of issuing toothless resolutions and asking for special carve outs.

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