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# Union Drops Health Coverage for Workers' Children

**UPDATE Dec. 1:** [Health-Care Reforms Not to Blame for Coverage Woes, Union Says](#)

By *Yuliya Chernova*

Associated Press

Jason Morales, an 1199SEIU member from Brooklyn, protested proposed health-care cuts in the state budget in June. A benefit fund for the union is dropping insurance coverage for workers' children.

One of the largest union-administered health-insurance funds in New York is dropping coverage for the children of more than 30,000 low-wage home attendants, union officials said. The union blamed financial problems it said were caused by the state's health department and new national health-insurance requirements.

The fund is administered by 1199SEIU United Healthcare Workers East, an affiliate of the Service Employees International Union. Union officials said the state compelled the fund to start buying coverage from a third party, which increased premiums by 60%. State health officials denied forcing the union fund to make the switch, saying the fund had been struggling financially even before the switch to third-party coverage.

The fund informed its members late last month that their dependents will no longer be covered as of Jan. 1, 2011. Currently about 6,000 children are covered by the benefit fund, some until age 23.

The union fund faced a "dramatic shortfall" between what employers contributed to the fund and the premiums charged by its insurance provider, Fidelis Care, according to Mitra Behroozi, executive director of benefit and pension funds for 1199SEIU. The union fund pools contributions from several home-care agencies and then buys insurance from Fidelis.

"In addition, new federal health-care reform legislation requires plans with dependent coverage to expand that coverage up to age 26," Behroozi wrote in a letter to members Oct. 22. "Our limited resources are already stretched as far as possible, and meeting this new requirement would be financially impossible."

Behroozi estimated that the fund faced a \$15 million shortfall in 2011 and more in the following years for the coverage of workers' children.

The union said in a statement that the state required the fund to participate in a new program —

the Family Health Plus Buy-In Program — beginning in 2008. The union said it expected that by joining the program, many of its members would qualify for state assistance for health-insurance coverage. “Instead they raised insurance rate increases without any increase in funding, and then cut Medicaid funding to the same workers nine times in the last three years,” the union said in a statement.

But the state denies requiring the union to join the program. “The state is not forcing 1199 to do anything regarding its employee health insurance,” said Jeffrey W. Hammond, spokesman for the New York Department of Health.

Home-care agencies that contribute to the union fund collect their revenue from the state’s Medicaid program. Over the past two years the state cut about \$370 million in Medicaid reimbursements to home and community-based care programs, according to New York State Association of Health Care Providers Inc., a trade association that represents agencies that employ home attendants.

“In home care in general, whether in a union or a non-unionized workplace, they are dealing with the crisis of trying to do more and more with less and less, and cut on top of cut,” said Christine Johnston, president of the association.

For the 1199 fund, premiums rose because Fidelis realized that the home health-care attendants are sicker than average, according to Mark Lane, president and chief executive of Fidelis Care. “These people are hard working people. There’s physical labor, which manifests itself in terms of more chronic and acute care type of illnesses,” said Lane.

As premiums went up and employer contributions remained constant, the benefit fund started cutting the rolls of eligible members. In the past three years the 1199 fund reduced its total enrollment in half, to less than 40,000 currently.

“We hope the state of New York will do the right thing and provide the funding necessary for this most vulnerable population of direct caregivers,” the union said in a statement.

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