

## A Vision for Boston: Questions for the 2009 At-Large City Council Candidates

### HEALTH INSURANCE & OPEB

*What steps would you take to further control Boston's annual health insurance costs for active employees and retirees? Explain why you would or would not recommend the City adopt Section 18. How will you address Boston's growing OPEB liability?*



#### **Felix Arroyo**

The growth in Boston's annual health insurance costs for employees and retirees is indeed unsustainable. For that matter, though, this is a pressing issue for all of Boston's employers and residents. That is why I have been working- both as Political Director for SEIU Local 615 and as a Field Director for Northeast Action, to pass national universal health care that should "bend the curve" of health care costs to ensure long-term affordability. As a City Councilor, I will support efforts to negotiate with the city's employee unions to see if joining the Group Insurance Commission is a viable option while respecting bargaining rights. I would also support at least exploring the adoption of Section 18 as a necessary step towards reducing the cost of health insurance for retirees. I also agree that it is crucial to begin to immediately address our underfunded and growing OPEB liability, an issue that must be central to next year's budget debate.

#### **John Connolly**

I firmly believe that providing City workers with access to comprehensive health insurance is a sound policy decision. However, the steady increases in employee health insurance costs are unsustainable and are compromising the effective delivery of city services to Boston residents. To address immediate concerns, I have been a voice in our budget process for prioritizing payment of our OPEB liabilities. To deal with future concerns, I hope that the City and its unions will work together to find mutually agreeable ways to reduce health insurance costs, including discussions about the possibility of adopting Section 18.

#### **Tomas Gonzalez**

To control the rising cost of health care in Boston we need to think big. A public plan in Massachusetts would provide the incentive to local private insurance providers to lower their costs. I would lobby the Boston delegation in the State House to push for the creation of such a plan. Section 18 should be adopted. For many years Medicare has provided quality health care to our retirees and elderly. At a time when Boston and Massachusetts are strapped for cash this is an appropriate option. The City wanted to adopt Section 18 three years ago, but was not able to generate the buy-in in order to make it happen. As a City Councilor I will take a leading role and ensure that the conversations that must happen to enact Section 18 occur and are meaningful. Additionally, we can explore a regional approach to health care. Boston is not the only municipality facing the rising costs associated with caring for our employees and retirees. Cambridge, Somerville, and many more of our neighbors face the same challenges. We can explore a regional municipal strategy to negotiate better, less costly benefit packages for our employees and retirees, and perhaps control some administrative costs.

## **Tito Jackson**

Boston residents deserve to live in safe, clean and sustainable neighborhoods and Boston students deserve a first-class education. The police officers, firefighters, teachers, and other city employees that provide these services at the very least deserve a basic level of health care and other post employment benefits. Taxpayers cannot realize savings from approaches that simply shift the cost of these provisions from city budgets to state and federal budgets. In the long-term, these benefits can only be provided at the same level of service with a lower cost by pooling the interests of beneficiaries and identifying potential efficiencies across programs.

As an At-Large City Councilor, I would encourage the adoption of a broad plan that would move Boston towards continuing to provide health care and appropriate benefits for city employees while managing the costs of these programs to taxpayers, and Section 18 would be strongly considered a part of any such plan. As the largest city in the Commonwealth, Boston has specific issues that need to be addressed in constructing such a plan, and current negotiations with representatives of city employees are a healthy part of the deliberative process.

## **Andrew Kenneally**

As a councilor, I intend to foster consensus among unions to enroll the city's employees in the state's Group Insurance Commission (GIC) as a way to achieve meaningful savings seen in other cities. For city retirees, we need to better inform them about what federal benefits they are entitled to and adopt the local option to enroll all new retirees into Medicare as a way to offset city costs while ensuring retirees' access to quality health care coverage. With these win-win solutions, taxpayers will no longer have to foot the city's expensive health care bills and city employees and retirees will have access to quality health insurance.

While creating an OPEB trust fund is a positive step, Boston needs to improve its commitment to expanding this essential fund and reducing its overall liability at the same time. Growing and sustaining this fund must be a priority and should be achieved by cutting spending elsewhere - health care costs, for example - and redirecting savings into this fund.

## **Ayanna Pressley**

Boston should examine the potential benefits of bringing the Commonwealth's GIC insurance plan to the collective bargaining table. The GIC's cost growth over the last ten years was slightly lower than the City's, but the collective bargaining concessions currently required to enter the GIC might negate that. However the process of comparing our current plan selections with GIC should allow us to better evaluate what plans are offered and how they affect costs. The City must take a proactive role in managing the plan selection process and give incentives to employees – especially younger and healthier employees -- to take plans that may reduce the city's cost.

We should adopt Section 18 of Chapter 32 and place all eligible retirees in Medicaid. But in doing so, we need to ensure that our seniors know all of their benefit changes, know what those changes will mean, and understand that we are not putting them on a lesser plan, only one that will maintain the solvency of all the benefits and pensions they receive, without undercutting the services we provide as a city.

The City should begin thinking about how to phase in full payment of its yearly OPEB liability. The current path appears unsustainable.