

Public Employee Union Rep.

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Who Am I?

1988-2011 Firefighter for the Town of Dracut

2005-2011 Employee Benefit Consultant for Public Employee Unions

2011-Present Public Employee Union Representative

- Why am I here?
 - To encourage a partnership between labor and management by sharing data relevant to collective bargaining
- What will I accomplish?
 - Demonstrate examples of how data has been used in my experience as a firefighter and to address health care costs
- What can you glean from listening to me?
 - Insight on how a collaborative use of data has yielded positive outcomes in a public campaign and contract negotiations

Data Supports Public Campaign – Dracut

- In 1999, the Town of Dracut wished to build and staff a new fire station in a rapidly developing area of the community
 - The Town engaged the Firefighters Local Union to launch a joint community campaign to gain support for the necessary funding
- Together, data was collected on call volume, response times, population, expected growth rates within the community area
- State and National data was gathered on recommended responses times for specific emergencies
 - Heart Attacks
 - Trauma Injuries
 - Fire spread and growth
- With data in hand, the Town and the Union collaboratively launched a successful town-meeting style campaign
 - Voters subsequently approved a bond article to fund the station and equipment
 - In 2000, the new station was opened and staffed

Management / Union Collaboration

- Dracut often put aside the typical labor-management relationship to improve public safety
 - Joint purchase of department's first Cardiac Defibrillators
 - Fundraising for the purchase of Thermal Imaging technology
 - Union agreement to provide public safety education at no cost to the town
- In each instance, relevant data provided critical support for each endeavor
- Strongly urge a partnership with public safety unions
 - First Responders have front line knowledge of what is needed to improve public safety
 - Have an established rapport with community and taxpayers
 - Unions inherently have an excellent grass roots foundation to support improvement campaigns

Traditional Bargaining Model

- Management and Labor enter negotiations with pre-set goals and desired outcomes
 - Each side has priorities and needs but these seldom aligned
 - Pre-set expectation often leave little flexibility from the onset of negotiations
 - The “fight” ensues as each side tries to persuade the other to their position
 - Battlegrounds are often set around compensation and benefits leading to protracted negotiations
 - Success is dependent on mutual respect and the willingness to compromise

Data in Traditional Bargaining

- Traditional Negotiations often take an “us” vs. “them” attitude
 - Data supporting management proposals are used to:
 - Leverage change
 - Suggest doomsday outcomes if proposals are not accepted
 - Tips the scale of power to those who hold the data
 - In Traditional Bargaining, cards are typically held close to the vest
 - Data is not often shared or shared in a confusing, indiscernible ways
 - As the cost of government operations increase along with lagging revenues, it is time to reconsider other ways of negotiating with data to *support* not *leverage* negotiations

Interest-Based Bargaining

- IBB is a growing trend across the nation
 - Promotes win-win bargaining
 - Abandons traditional bargaining roles by using a joint problem solving model
 - Foundation of any successful IBB is the use of reliable data to identify problems and find mutually agreeable solutions
- Interest-Based Bargaining models supported with data have been used to in Massachusetts to successfully reign in healthcare costs

Healthcare Costs – The problem

- Healthcare costs in Massachusetts are the 3rd highest in the nation
 - Rising health care costs have crowded out other types of public spending
 - 13 year single health premium increase = 156%*
 - 13 year family health premium increase = 172%*
- Management proposals focused on cost-shifting with higher copayments and modified contribution splits
- Traditional bargaining attitudes often led to stalemates at the negotiating table with little, to any real changes taking place
- Rising costs led for a call to make changes in the way public employee healthcare was negotiated

*Source: Kaiser Family Foundation

How Data Integrated Negotiations have changed the Healthcare Conversation in Massachusetts

- Coalition Bargaining – IBB Like
 - Departure from traditional, unit-by-unit negotiations
 - Replaces with a Public Employee Committee (PEC) made up of one representative from each bargaining unit and a retiree
 - Public Employee Committee has statutory authorization to negotiate with the employer on behalf of all employees and retirees
 - Fosters a more collaborative approach as PEC assert themselves as equal stakeholders in finding solutions to healthcare costs
 - Recognizes employers and employees as equal stakeholders
- Management and PEC's work together on identifying cost drivers
 - Engaged carriers to access specific group data
 - Common disease drivers such as Diabetes
 - High areas of Utilization
 - Risk factors
- Results of Coalition Bargaining
 - Greater acceptance by labor groups to make reasonable change
 - Meaningful plan changes beyond cost-shifting
 - Disease Management
 - Wellness

Healthcare In Massachusetts Cont..

- In 2011, legislature passes Municipal Health Insurance Reform
 - Condensed version of Coalition Bargaining
 - Mandates the use of group specific data to co-design mitigation plans with PEC's and management
 - Requires a portion plan savings through plan design to be shared with employees/retirees through mitigation
- 60% of municipalities used new law to work collaboratively with employees and retirees to make meaningful plan changes
 - 81 cities, towns, and school districts engaged PEC's under new law
 - 122 cities, towns, and school districts used coalition style bargaining outside of new law to make changes
 - Resulted in a first year collective savings of over \$200 million to taxpayers during the reform's 30-day negotiation phase.

Today's Healthcare Bargaining

- Employers regularly share group specific data (claims, disease, utilization) with union coalitions
 - No longer are benefit discussions stalemated
 - Unions are agreeing to more changes with their health plans than ever before
- In 2013, the Governor filed legislation to reduce the State and Municipal OPEB Liability on Retiree Healthcare from \$46 Billion to \$26 Billion through a series of benefit changes
 - This bill was developed by a commission of stakeholders including labor and management
 - Commission relied heavily on data around healthcare costs, retirement trends, mortality, and other actuarial tools to develop recommended changes
- State has since adopted a culture of transparency by publishing provider cost data on-line for consumers to view

Questions/Comments?

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