



A Union of Professionals

## 2014: Affordable Care Act Scenarios

### 1. Employer stops offering health coverage

Positives	Negatives
Healthcare costs will take up less of the employer's money at the bargaining table, potentially leaving more for wages	Exchange coverage will not be as comprehensive as employer-sponsored coverage and will have greater out-of-pocket costs.
The union can try to bargain for more money to compensate for the loss of the coverage	Employees will not be able to bargain with employers over plan design, plan quality, and cost sharing
	Employers may not give members significantly more in wages to compensate for the loss of this benefit
	Members may ask what the union's purpose is if not bargaining benefits
	The employer will have to pay penalties to the federal government

### 2. Status quo: Employer continues to offer coverage

Positives	Negatives
Employees can continue to bargain over plan design, plan quality, and cost sharing	Healthcare costs will continue to rise, crowding out wage increases. Employers will keep shifting costs to employees.
Members will continue to credit the union with bargaining good benefits for them	If exchanges work well and employer-sponsored coverage becomes increasingly unaffordable, members may wonder why the union encourages them to stay in the employer's plan.
Members will, in general, have coverage that is much more comprehensive than that sold on the exchanges	



3. Employer continues offering coverage. Some members are eligible for exchange subsidies and drop out of employer's plan

Positives	Negatives
Some employees will get more affordable coverage—including family coverage--on the exchange than they could get through the employer.	Employer's plan will experience adverse selection, driving up costs for the members remaining in the plan
	Exchange coverage will not be as comprehensive as the employer's plan
	Members will be divided, with most in the employer's plan but possibly a few in the exchange. This may complicate bargaining for benefits.

4. Small employers decide to insure their employees through the exchange (note: this option may be available to large employers in 2017 at state option)

Positives	Negatives
The union can bargain over the selection of the plan and coverage tier, as well as for the employer premium contribution.	Depending on the tier and plan, exchange coverage may not be as comprehensive as the previous employer-sponsored coverage.
Some small employers may get better-value plans on the exchange than they had on their own	Employees will not be able to bargain with employers over plan design, plan quality, and cost sharing.
	Employer contributions may not keep pace with plan costs

5. Exchange open enrollment starts in October 2013. The union becomes proactively involved in helping people understand and use the exchange

Positives	Negatives
Employers are required to notify employees of the exchange's existence. When members have questions, a well-prepared union will be able to answer them.	Providing assistance is time- and resource-intensive
Being seen as an important source of expertise could be an effective outreach and organizing tool.	If the exchanges do not work well, the union might regret having a formal connection to them
The union would be able to guide people toward union-endorsed plans, or CO-OP plans.	
Locals and affiliates who become certified Navigators could be paid for that function.	