



AFT Connecticut

On the heels of the most recent recession and after years of fiscal mismanagement, Connecticut faced massive projected budget deficits for fiscal year 2012 and fiscal year 2013. In 2011, the state's newly elected governor, Dan Malloy, turned to state employees seeking a fix with a severe demand: either come up with \$2 billion in savings or face massive layoffs across sectors.

Rather than make unwise concessions or suffer devastating job cuts, AFT Connecticut worked closely with a statewide labor coalition to devise a solution that is 1) improving access to high-quality and affordable healthcare, 2) protecting job security and workers' pensions, and 3) saving the state money.

"It was quite contentious and quite difficult," says Jean Morningstar, a vice president of AFT Connecticut, about the negotiations. "But we were determined to make it work. This was ultimately about protecting our members and our ability to continue to provide high-quality public services."

A WIN-WIN FOR THE STATE AND ITS WORKERS: THE HEALTH ENHANCEMENT PROGRAM

In a national political climate filled with relentless attacks against unions, AFT Connecticut remained committed to a collaborative path, working with other labor groups through the State Employees Bargaining Agent Coalition to forge a productive agreement with the governor, while not compromising on its core mission to protect the healthcare and pensions of its members.

"We had to come together. A unifying point for the coalition was that we wanted to be part of the solution," Morningstar adds. "We, in the end, understand that if we aren't working together then we have no chance."

The solution was the Health Enhancement Program, an innovative plan that focuses on preventive care and chronic disease management, along with an effective incentive system to encourage enrollment. State workers were rewarded with a \$100 yearly bonus for enrolling in and complying with the program, whereas those who chose not to sign up were assessed an additional \$100 in monthly premiums.

Morningstar says getting people into the program early to focus on prevention and wellness was essential, and it has helped the plan yield savings over the long term.

The University of Michigan's Center for Value-Based Insurance Design, which is evaluating the program, noted in a January 2013 brief that "The Connecticut experience demonstrates the ability of management and labor to reach consensus on significant changes to 'business as usual' in health plan design, even in challenging fiscal environments."

CONCRETE RESULTS

By May of 2012, 99 percent of state employees had signed up to participate in the plan. This expanded insurance pool led to better-managed risk and lower costs for consumers. The new program has produced

a host of concrete, measurable health benefits for its participants:

- Cholesterol screenings and colonoscopies have both increased for those aged 50 and older.
- Emergency room visits have decreased.
- Medication adherence has increased.
- HEP participants pay lower premiums and lower out-of-pocket costs than those who choose not to enroll.
- Participants with a chronic condition have no copays for office visits related to their disease, and pay no (or very low) copays for medications to manage their condition.

- The program is expected to save the state roughly \$1.6 billion.

The negotiations with the Malloy administration took place while anti-union rhetoric throughout the country was at a fever pitch. By leading the way in the development of the Health Enhancement Program under the threat of drastic cuts, AFT Connecticut demonstrated the far-ranging potential of Solution-Driven Unionism.

“Our goal was to better the lives of our members and their families, improve their health, and get the costs down. And that’s what we did,” Morningstar says.