

# UAW AND HEALTH CARE

The UAW is about to become one of the country's biggest purchasers of health care.

Under the agreement, responsibility for the retiree health plan will shift to a Voluntary Employees' Beneficiary Association managed by the union. Details about how the VEBA will be funded have not been disclosed. But it is expected to involve a one-time payment of as much as \$35 billion by GM, providing the union with money to invest and use to pay for retiree benefits while reducing the company's future expenses by billions of dollars. Creation of the retiree health trust is to be monitored by a judge and the Securities and Exchange Commission, according to GM's statement this morning.

At a Detroit news conference, UAW president Ronald A. Gettel said the memorandum of understanding outlining the health fund would secure retiree health benefits for decades to come.

Presumably, the UAW will pick up the retiree health care for Ford and Chrysler, as well.

I'm glad the strike was successful and I'm glad it's over (though it looks like MI is going to have a shutdown). But I'm especially intrigued by the possibilities of unions exerting a lot of sway in the health care industry. As the UAW becomes a bigger and bigger buyer, for example, they're going to be able to demand price reductions. Which means they might be able to offer affordable health care to unaffiliated workers who join the union.

In other words, if UAW plays this right, they may well have another benefit to offer union members, which could be used to start growing union numbers again.