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For Release: Immediately
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The Labor HMO
7401 Wisconsin Ave
Bethesda, MD 20814

**Labor HMO Brings Hope in Wake of Health Reform Demise**

National health care reform officially died this week in Congress and all across the United States – everywhere, that is, except in the new offices of the Labor HMO in Bethesda, MD. The Labor HMO is poised to supply high quality low cost managed health care to union groups across the country. "We're ready to pick up the ball dropped by Congress," said President Robert Gaw, "labor doesn't have to put up with the status quo any longer."

The Labor HMO, which provides professional managed care services to union trusts, is significantly different from traditional HMOs. Because it is linked with the existing Communications Workers of America's (CWA) Health and Welfare Trust and the CWA Benefits Trust, The Labor HMO has all the financial advantages a self-insured health plan typically enjoys – lower taxes and no state regulation. "This allows us to concentrate on what's important," said Gaw, "providing excellent coverage and keeping costs down."

Presently, the Labor HMO serves members nationwide through an extensive network of doctors and hospitals throughout the U.S. Most of the covered groups are small and medium sized telecommunications companies, print shops, public sector groups and television companies. In addition to CWA members, the Labor HMO offers comprehensive major medical coverage, dental, vision, disability and medicare supplement plans to members of other unions and affiliated association members. The National Association of Socially Responsible Organizations (NASRO) has endorsed these benefits and has actively encouraged its own members to receive health benefits through the plan for the past two years .

Beginning next year, the Labor HMO will recruit its own capitated primary care physician network. Recruitment efforts will target physicians in cities where union membership is high. Funding for the physician recruitment effort will come in part from a planned January 1995 private placement stock offering expected to raise three million dollars in capital.

The Labor HMO's staff is drawn from some of the country's leading HMO's, provider associations, and insurance companies. "The right expertise is essential to running a quality HMO" notes Gaw, "but there's no substitute for understanding the people you want to serve. "

**CWA Health Plan, The Labor HMO**
**7401 Wisconsin Ave,**
**Bethesda, MD 20814**
**Contact: Brian Schilling (800) 638-8113 or (202) 466-6917**

CWA Health Plan mission - provide high-quality, affordable health and other benefits to CWA members & their widowed spouses, associate members, and retirees.

Number of members served by the CWA Health Plan - 2,000+

Number of states in which CWA Health Plan operates - 50

Years in existence - 7 (since 1987)

Type of organization - Non-profit, Taft-Hartley Trust regulated by US Department of Labor.

Trust Administrator - Robert G. Gaw and Associates

Who the plan serves - CWA members, associate members, retirees, and affiliated unions, non-profits, small businesses, and the self-employed.

Average increase in monthly contributions vs. national average
CWA Health Plan increases 8% in 91', 6% in 92' and 5% in 93'
Average nat. increases 12% in 91', 15% in 92' and 8% in 93'.

Providers currently in CWA Health Plan network - 140,000

Hospitals & facilities in CWA Health Plan network - 1,200+

Benefits products currently offered by the CWA Health Plan -

- HMO, PPO, and Indemnity type major medical
- Medicare Supplement (network & non-network based)
- Dental and Vision
- Prescription Drug Cards
- Term Life Insurance
- Long Term Care
- Retirement Investment
- Basic Supplemental Health
- Disability

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## FACSIMILE COVER SHEET

DATE: 9/22/94

TO: (Name) Mike Luy

ORGANIZATION: _____

DOCUMENT DESCRIPTION: _____

FAX NO.: Area Code ( ) 457-6218

FROM: Chuck Loveless

PHONE: Area Code ( ) 429-1194

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RESPONSE REQUESTED? Yes _____ No _____

SPECIAL INSTRUCTIONS: _____

Senator George Mitchell
Majority Leader
United States Senate
Washington, D.C. 20510

September 20, 1994

Dear Senator Mitchell:

We believe strongly that it would be a grave mistake to bow to last minute pressure to pass any "mainstream" health care legislation that is both unworkable and destined to cause real harm to millions of Americans.

We are profoundly disappointed that our work and yours to support comprehensive, universal and affordable health care reform has been diminished in these last ditch efforts to draft a reform strategy. With prospects for that kind of reform now quite distant, we urge you not to support any proposal that has the potential to injure the health care benefits of the very people reform is supposed to be helping. We also urge that there be sufficient time for public scrutiny of any new compromises that may develop.

The "mainstream" proposal represents a step backward for our members.

Not only would it fail to cover everyone, it contains incentives for employers and individuals to drop coverage they now have.

Not only does it lack any effective cost control, it would increase costs to many consumers through a tax on hard-won insurance plans.

It would shift the burden of paying for health care away from employers and onto the elderly and low-income individuals, in part through cuts in Medicare and Medicaid without a corresponding increase in benefits such as long term care and prescription drugs, and through changes in medical malpractice.

Medicaid beneficiaries would lose their current coverage. Promised subsidies to help them buy insurance would vanish if budget failsafe requirements were triggered. Even if subsidies were furnished, care would be much less affordable, and fewer benefits would be covered.

The benefits section, including multiple benefit packages that each individual health plan is left to define, would lead directly to adverse risk selection and inadequate coverage.

Insurance interests could sit on the boards of health insurance purchasing cooperatives. This means the cooperatives authorized to negotiate the price of insurance, and to create broad pools of people without discrimination, would be influenced by the companies who would stand to profit from selling insurance at higher rates to healthier risk pools, a set-up for failure. There is not even a conflict of interest provision to regulate the companies' actions while sitting on the boards.

The means-tested home care benefit would be no better than the current Medicaid program. Because the benefit would be so minimally funded, many middle-income families would be forced to a poverty level in order to qualify for the benefit.

Last but perhaps most important, the "mainstream" proposal would obstruct states that want to move ahead on expanding access and controlling health care costs. It would undermine the implementation of a state single payer system by allowing large self-insured employers to opt out of those systems. States would be prohibited from extending consumer protection and coverage requirements to the employees of self-insured employers.

The undersigned organizations support comprehensive reform of the nation's fragmented health care system, a system which cannot measure up to any standards of justice and equity. We are deeply disappointed by the failure to enact comprehensive health care reform legislation this year. However we feel strongly that the "mainstream" proposal retreats even further from that goal, and we urge you to oppose this proposal.

Sincerely,

AIDS Action Council
Alliance Against Discrimination Against Mental Illness and Substance Abuse Treatment
Amalgamated Clothing and Textile Workers Union (ACTWU)
American Association of Private Practice Psychiatrists
American Association of Retired People (AARP)
American College of Nurse Midwives
American Counseling Association
American Federation of State, County and Municipal Employees (AFSCME)
American Mental Health Counselors Association
American Psychoanalytic Association
American Public Health Association
Americans for Democratic Action
Bazelon Center for Mental Health Law
Campaign for Health Security
Center on Disability and Health
Churchwomen United
Citizen Action

Consumers Union
Family Service America
Gray Panthers
International Ladies Garment Workers Union (ILGWU)
International Longshoremen's and Warehousemen's Union (ILWU)
International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers (IUE)
Interreligious Health Care Access Campaign
National Association of Public Hospitals
National Association of Social Workers
National Council of Churches
National Council for Independent Living
National Council of Senior Citizens
National Education Association (NEA)
National Federation of Clinical Social Workers
National Health Care for the Homeless Council
National Rural Health Network
National Organization of State Associations for Children
National Women's Health Network
Oil, Chemical and Atomic Workers Union
Public Citizen
Real Health Care for All
Unitarian Universalist Association
United Church of Christ, Office for Church and Society
U.S. Public Interest Research Group (U.S. PIRG)
Washington Psychiatric Society
Neighbor to Neighbor
Network