

Pro-Taxpayer Reform Stalled by NEA Union Agents

Teacher Union-Affiliated Insurance Administrator Bilks Michigan

In their never-ending quest to contain skyrocketing employee medical expenditures, a key tool for business owners and human resource managers is obtaining from their health insurance company anonymous records of prior employee claims.

Furnished with this information, employers can go to rival health insurance companies to seek, and sometimes obtain, a better deal on employee coverage for the next year than their current insurer is prepared to offer.

Public school districts in Michigan, like school districts in most other states across the country, face medical costs that are soaring even more rapidly than private businesses'.

But unlike many business owners and managers, Wolverine State school districts have long been unable to obtain employee-claims data from their insurance administrator.

The reason why not is simple: The bosses of the powerful Michigan Education Association (MEA) teacher union, a subsidiary of the gigantic National Education Association (NEA) union, vehemently oppose allowing school boards to have access to this information.

Teacher union bosses have gone all out to block a reform that could easily save a school district hundreds of

thousands, even millions, of dollars a year because most Michigan school employees are covered by a Michigan Education Special Services Association (MESSA)-administered insurance plan.

Forced-Dues Privileges Make MEA Hierarchy the 800-Pound Gorilla of State Politics

MESSA-administered insurance typically costs, according to the Midland, Mich.-based Mackinac Center for Public Policy, \$4000 more a year per family than the national average family premium. But MESSA is also an affiliate of the MEA union and annually funnels back to the teacher union hierarchy millions of premium dollars in "marketing fees."

That's why the MEA brass have doggedly fought to protect MESSA from reformers who want to advance the best interests of taxpayers and schoolchildren.

And largely because Michigan state law authorizes union bosses both to act as teachers' "exclusive" (monopoly) bargaining agent in employee contract negotiations, and also to force teachers to pay union dues or fees as a condition of employment, the MEA hierarchy is the 800-lb. gorilla in state politics.

Teacher union officials pour a substantial share of the forced dues

and fees they exact from teachers into lobbying and electioneering schemes designed to defeat state politicians who cross them and protect their puppet politicians.

For many years, Michigan legislators who were either beholden to MEA bigwigs or afraid of them defeated all efforts to permit potential competitors of MESSA to have the same access to claims records that many other health-insurance administrators have.

Scam Finally Seemed to End in 2007 -- But Did It?

However, last fall, as they were caving in to pressure from Big Labor Gov. Jennifer Granholm (D) to rubber-stamp the \$1.4 billion in tax increases that she then demanded, legislators decided to provide themselves with political cover by simultaneously adopting a bill that would at last open up MESSA to competition.


The bill became law last December 1, shortly after Ms. Granholm signed it. It now requires all for-profit and nonprofit insurance providers and administrators, including MESSA, to release anonymous health-claims data to school districts.

Health insurance companies other than MESSA have already been complying with this law for months.

Unfortunately, as of late last month, not a single school district in Michigan had received the data required by the law from MESSA. Moreover, legislators cynically failed to include any penalty in the law should insurance firms fail to comply.

"Some school districts are already circumventing MESSA and changing their insurance plans with teachers' support, even though teacher union agents have failed to comply with the law," commented Mark Mix, president of the National Right to Work Committee.

"That's the small silver lining. But MESSA's special privileges effectively remain in place. And Michigan's political system has obviously been rendered totally corrupt by compulsory unionism, especially teacher compulsory unionism.

"Abolition of teacher compulsory unionism is a precondition for any other significant reform to improve Michigan's tax and job climate." 



Iris Salters, the president of the MEA teacher union, also sits on the board of MESSA, the MEA-affiliated

administrator of overpriced employee health insurance for most public school districts in Michigan.

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