

ABOUT THAT “FUCK THE UAW” TAX

In honor of Steve Rattner’s revelation that Rahm Emanuel wandered around during the auto bailout saying “fuck the UAW,” I’ve renamed the “Cadillac tax” the “Fuck the UAW” tax.

Which is appropriate timing given that the Kaiser Family Foundation is out with a study today they should have done during the health care debate, showing that employers have been shifting health care costs onto employees.

The premiums that employees pay for employer-sponsored family coverage rose an average of 13.7 percent this year, while the amount that employers contribute fell by 0.9 percent, the survey found.

For family coverage, workers are paying an average of \$3,997, up \$482 from last year, while employers are paying an average of \$9,773, down \$87, according to the survey by the Kaiser Family Foundation and the Health Research & Educational Trust.

The best part of the WaPo coverage, though, are the quotes from KFF President Drew Altman playing dumb.

“Many employers looked into their recession survival kit and seem to have concluded that one way to make it through the recession and hang on to as many employees as possible was to pass on their health premium increases to their employees this year,” Kaiser Family Foundation President Drew Altman said by e-mail.

How much, if at all, the federal health-care overhaul enacted in March will restrain cost increases over the long

run remains to be seen. While experts debate its likely impact, the legislation is “the only thing we have coming on line as a country to control costs other than what now seems like the primary default strategy in the private sector – shifting costs to people,” Altman said.

You see, the trend of employers shifting costs onto employees was readily apparent last year, when Jonathan Gruber and the Administration and health care reform boosters were using MagicMath to claim that not only would the “Fuck the UAW” tax save money, but that workers would end up with higher wages.

In fact, this behavior has been going on for decades, and it is precisely what the Fuck the UAW tax is designed to incent: boosters—some funded by the KFF—routinely argued that if employers passed more costs onto employees, they would become more sensitive to cost, and use less care (the entire debate sidestepped the question of whether incenting less care was useful, particularly for those with chronic conditions), thereby lowering health care costs overall. And this hocus pocus logic is—aside from laudable changes to Medicare delivery—the biggest cost “savings” in the health care reform bill. But the KFF poll appears to undercut the assumptions that went into the bill (notably, that employees would benefit from this scam).

And KFF President Drew Altman has the audacity to say that the health insurance reform bill is “the only thing we have coming on line as a country to control costs other than what now seems like the primary default strategy in the private sector – shifting costs to people,” without admitting that **one of the biggest cost control strategies in the health insurance reform bill is to shift costs to people!**

Ah well. An Administration whose Chief of Staff wanders around saying “Fuck the UAW” probably doesn’t consider union members real people

anyway .