



Group Medicare Insights: Member Experience

5 ways unions have a positive impact on Group Medicare Advantage



From the Postal Strike in 1970, where 210,000 postal workers demanded better wages, to folk hero Cesar Chavez's struggle for the rights of farm workers, unions have always been a driving force for change in the lives of Americans. Healthcare is no exception: Since World War II, unions have fought to make primary care more easily accessible and cost-effective for members.

Fast forward to today, one of every 10 workers in the U.S. belongs to a union, many of whom are directly responsible for negotiating wages and healthcare benefits and administering these benefits on behalf of members.¹ In fact, because of these collective bargaining skills, unionized workers are more likely to have access to high-quality health benefits, tend to pay lower premiums, and cover a lower share of out-of-pocket expenditures than non-union workers.²

That's great news for retirees, especially those enrolled in Group Medicare Advantage plans. "Union members work incredibly hard to secure and maintain benefits provided by their union while they are working and long into retirement," says Nate Whiteman, a national labor relations representative for Humana and a union member of the International Union of Painters and Allied Trades (IUPAT) District Council 6 since 2002.

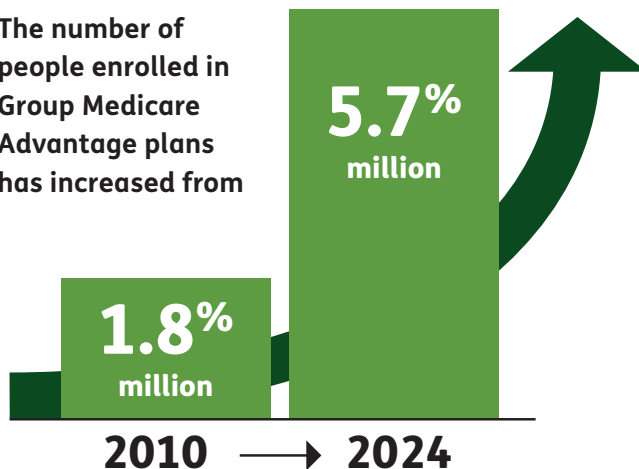
5 ways unions have a positive impact on Group Medicare Advantage

Here's how unions are shaping healthcare benefit plans for retirees and their growing influence on everything from plan features to cost containment.

1. A lifeline for Group Medicare Advantage plans

The number of people enrolled in Group Medicare Advantage plans has increased from 1.8 million in 2010 to 5.7 million in 2024, according to KFF, a nonprofit health policy research, polling, and news organization.³

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2. Higher standards—for all

Retirement shouldn’t mean having to settle for less. Indeed, Whiteman says, “Retirees want

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to have healthcare benefits that are as good as when they were working.” Fortunately, unions are ensuring greater compensation for the workers they represent while setting new standards for other healthcare benefits packages. In fact, stronger union standards force non-union employers to stay competitive in their offerings, resulting in a win-win for all workers.

For unions representing workers in fields where salaries are relatively modest, the power to negotiate healthcare benefit plans can also significantly impact employee acquisition, retention, and satisfaction.

“Unions tend to be very protective of healthcare benefits because it’s a key part of the compensation package their members are expecting,” says Maanasa Kona, an associate research professor and faculty member at the Georgetown University Health Policy Institute’s Center on Health Insurance. “Healthcare benefits are a huge component of a union’s negotiating responsibility and are an asset they really try to safeguard for union members.”



3. Innovative pathways to cost management

In an era of rising premiums, unions are employing innovative strategies to contain healthcare benefit costs for their members—a feat that’s particularly advantageous to cost-conscious retirees.

“Unions are willing to push state employee health plan benefit administrators to work on more innovative cost containment strategies, whether it’s pushing for value-based payment or other types of innovative payment strategies,” says Kona. In fact, when forced to choose between “cutting benefits” or “driving down the price of healthcare,” Kona says her research has revealed that most unions opt for the latter.

Kona offers the example of Unite Here, Local 26, a union in Boston that represents the city’s hotel workers. In 2019, Unite Here managed to secure “no-deductible health plans at premiums that were much lower than the national average.” Unite Here accomplished this cost-saving feat, she says, “by building healthcare networks that excluded hospitals charging up to three times more than others in the area.”

4. Robust plan design

Many unions are changing the way they negotiate healthcare benefits by requesting the addition of specific features of health insurance, such as mental health and telehealth services.

“Unions are very aware of their members’ needs,” says Kona. “There is a high-level



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Some unions are even partnering with companies to establish primary care centers for members. By encouraging people to visit clinics rather than urgent care centers or emergency departments, unions can ensure better access to care while also controlling costs.

5. Comprehensive coverage for today—and tomorrow

For union members who move from job to job within the same industry, the ability to maintain healthcare and retirement benefits from one employer to another is critical. Enter Taft-Hartley plans. A multiemployer welfare arrangement, Taft-Hartley plans provide healthcare benefits to union members that work for several different employers within the same industry. They are established through collective bargaining between unions and a group of employers, in which employees and businesses contribute



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money to a fund that is invested in various assets. The fund is managed by a board of trustees representing both the union and the employers. They may provide employees with job mobility while safeguarding their health and retirement needs.

“A Taft-Hartley fund, also known as a multiemployer pension plan, is a cooperative arrangement between employers and labor unions to provide benefits and retirement security for employees,” says Whiteman. “As a result, I can work for multiple people throughout my career but funding of my benefits go into a trust or fund to pay for my retirement later.”

Unions have long been a catalyst for change in the healthcare sector. Whether it’s through their collective bargaining power or commitment to the well-being of their members, unions will continue to shape Group Medicare Advantage plans in ways that improve the lives of members from the first day on the job to retirement.

“Retired union members want their healthcare benefits to be just as good—or better—than when they were working,” says Whiteman. “That’s what unions fight for all the time. They want healthcare to be continuously great.”

1 “Union Members-2023.” U.S. Department of Labor. Published January 23, 2024. <https://www.bls.gov/news.release/pdf/union2.pdf>

2 Kona, Maanasa. “The Impact of Unions on Employer-Sponsored Health Insurance.” CHIRblog. Posted November 20, 2023. <https://chirblog.org/the-impact-of-unions-on-employer-sponsored-health-insurance/>

3 Freed, M. Fuglesten Biniek, J. Damico, A. Neuman, T. “Medicare Advantage in 2024: Enrollment Update and Key Trends.” KFF. Published August 8, 2024. <https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2024-enrollment-update-and-key-trends/>

4 Levey, N. N. “Not everyone has eye-popping deductibles: How one union kept medical bills in check.” Los Angeles Times. December 17, 2019. <https://www.latimes.com/politics/story/2019-12-17/one-union-kept-medical-bills-in-check>

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