

AUSTRALIAN LIQUOR, HOSPITALITY AND MISCELLANEOUS WORKERS' UNION

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Secretary David Kelly

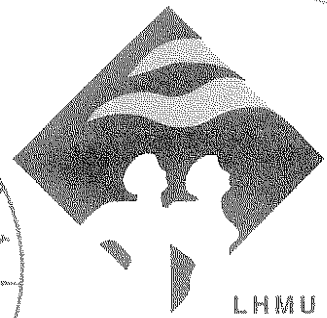
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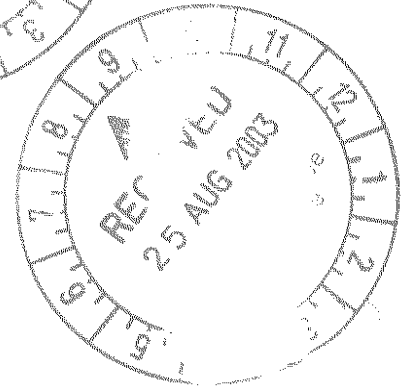
Mr Elton Humphrey

Secretariat

Senate Community Affairs References Committee

Parliament House

Canberra ACT 2600



Dear Mr Humphrey

During the presentation by the LHMU to the Senate Inquiry into Medicare on Tuesday July 29th in Perth, I made reference to the Union's concerns about the "Americanization of our health care system" and in particular our opposition to health care being one of the issues at the bargaining table, as is the case in the United States.

Several Senators requested more information on this issue.

Attached is a fact sheet provided by the AFL-CIO, the peak U.S. union body.

In addition, I have been advised that the best source of information on what employers spend for wages and for benefits is from the Bureau of Labor Statistics. They publish a report on employer cost of employee compensation. The most recent can be found at:

<http://www.bls.gov/news.release/pdf/ecec.pdf>

As page 2 of the report states, in March 2003 health benefits costs averaged \$1.41 per hour or 6.3 percent of total compensation. This is up from \$1.09 an hour in 2000. In goods producing industries the cost of health benefits was higher, \$1.98 an hour. Employer costs for health benefits were higher for union workers, averaging \$2.80 per hour (9.1 percent of payroll) than for non-union workers at \$1.24 per hour (5.8 percent of payroll). For union workers, wages equal 65% of total compensation, while for non-union workers wages equal 73.5% of total compensation.

I trust this information is of interest to the members of the Senate Committee. If members of the Committee would like to discuss this further or require additional information, please feel free to contact me.

Yours sincerely

A handwritten signature in cursive script that reads "Helen M. Creed".

HELEN CREED

National President

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FACT SHEET (S. —) ENSURING HEALTH CARE FOR WORKERS AND THEIR FAMILIES

America's failure to assure the basic human right to health care to all its citizens was one of the great public policy failures of the 20th century. Recent projections emphasize the urgency of redressing this failure. According to a November 2001 report by the bipartisan National Center on Health Care, as many as 6 million people could lose their coverage in 2001 and 2002 — on top of the approximately 38 million Americans who are currently uninsured.¹ The Office of the Actuary of the Center for Medicare and Medicaid Services recently concluded that the proportion of the American population that is uninsured will continue to rise throughout their ten-year projection period.²

The Burden of Being Uninsured:

- In any given year, 1/3 of the uninsured go without needed medical care.³ The tragic bottom line is that 83,000 Americans die every year because they have no insurance. Being uninsured is the seventh leading cause of death in America. Our failure to provide health insurance for every citizen kills more people than kidney disease, liver disease, and AIDS combined.⁴
- Unpaid medical bills account for 200,000 bankruptcies annually.⁵ More than 9 million families spend more than 1/5 of their total income on medical costs.⁶
- 27,000 uninsured women are diagnosed with breast cancer each year. They are twice as likely as insured women not to receive medical treatment until their cancer has already spread in their bodies. As a result, they are 50% more likely to die of the disease.⁷
- 32,000 Americans with heart disease go without life-saving and life-enhancing bypass surgery or angioplasty — because they are uninsured.⁸

Working Families and the Uninsured:

- 82% of those without insurance are employees or family members of employees. Of these uninsured workers, most are members of families with at least one person working full-time.⁹
- Approximately 1/3 of the uninsured are workers or dependents of workers employed by large businesses with more than 100 employees.¹⁰
- The uninsured are predominantly low and moderate income persons who cannot afford to buy coverage in the individual market. Approximately three-fourths have incomes below 300% of poverty.¹¹

1. "A Perfect Storm: The Confluence of Forces Affecting Health Care Coverage," Joel E. Miller, National Coalition on Health Care, November, 2001.

2. Stephen Heffler, et al., "Health Spending Projections for 2001-2011: The Latest Outlook," *Health Affairs*, March/April 2002.

3. The Henry J. Kaiser Family Foundation Commission on Medicaid and the Uninsured. June 1998.

4. Franks, P., Clancy, C. M., Gold, M. R. (1993) Health insurance and mortality: Evidence from a national cohort. JAMA 270: 737-741. Incidence rates converted to population numbers.

5. Sullivan, T.A., Warren, E., Westbrook, J. (2000) *The Fragile Middle Class: Americans in Debt.* Yale University Press.

6. *Ibid.*

7. Ayanain, J. Z., Kohler, B. A., Abe, T., Epstein, A. M. (1993) The relation between health insurance coverage and clinical outcomes among women with breast cancer. *New Engl. J. Med.* 329: 326-331. Data extrapolated to national level.

8. Wenneker, M. B., Weissman, J. S., Epstein, A. M. (1990) The association of payer with utilization of cardiac procedures in Massachusetts. *JAMA* 264: 1255-1260. Data extrapolated to the national population.

9. William S. Custer and Pat Ketsche, *Health Insurance Coverage and the Uninsured*, Health Insurance Association of America, analysis of CPS data.

10. Employee Benefit Research Institute tabulations of data from the March 2001 Current Population Survey.

11. U.S. Census Bureau, March 2000 Current Population Survey.

From AFL-CIO