

# RAUNER ADMINISTRATION VIDEOS: TRUTH-LESS

*The Rauner Administration has now sent out two videos through the state email system. The videos feature CMS staff members claiming to offer factual information to state employees about the status of contract negotiations. In reality, these videos are rife with inaccuracies that are deliberately intended to mislead. Governor Rauner should stop trying to force-feed his anti-unionism to employees while they are trying to do their jobs.*

## **Here are some of the misleading statements that CMS made in the videos—and the real facts.**

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**\*CMS CLAIM:** “Impasse simply means that the parties have come to a dead end...further negotiations would be futile.”

**FACT:** There is no way that negotiations were at a “dead end” when the Rauner Administration walked out on bargaining back in January. The Union Bargaining Committee said then—and has reiterated numerous times—that AFSCME is prepared to make modifications to the proposals that were on the bargaining table at that time—so there is clearly room for further negotiation. The real problem is that the Rauner Administration simply does not want to negotiate and instead seeks to force state workers to accept steep cuts to their pay, benefits and job security.

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**\*CMS CLAIM:** [Regarding the health insurance terms Gov. Rauner wants to impose on employees]: “We’re offering several different options that are less expensive for employees to choose.”

**FACT:** The Rauner Administration never made clear—in this video, at the bargaining table, or anywhere else—what these “different options” for health plans would cost employees. For nearly a year, AFSCME has requested the details of these “alternative” health care plans, but the Administration to this day refuses to provide that information so that the Union can fully analyze how these plans would impact employee coverage and costs.

One fact we know for certain because it was presented to the Bargaining Committee: The Rauner Administration is demanding that employee health care costs increase by 67%.

This means that these “different options” that CMS staff talk about would have much higher out-of-pocket costs and so would not really be “less expensive” for employees.

In fact, in the second video, CMS acknowledges that for these “different options,” employees would have to pay the same premiums, but their co-pays and deductibles would increase. So, in fact, these plans would not be “less expensive” as they claimed in the first video, but **more expensive.**

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**\*CMS CLAIM:** “Not much.” That was the response from CMS’s health benefits expert when asked how much the plans would change.

**FACT:** In fact, the changes would be significant. Co-pays for doctors’ visits would increase by 50%; copays for specialist office visits would increase by 67%; copays for brand drugs would increase by 54%. The out-of-pocket costs in any given year would increase from the current maximum of \$3,000 to \$6,850. And the out-of-pocket maximum for family coverage would increase from \$6000 to **\$13,700!**

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**\*CMS CLAIM:** [In response to a question about the cost of services:] “Many of the most common [health care] services are free.”

**FACT:** All of the services identified as “free” under the new health care plan option are already “free”—as required by federal law.

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**\*CMS CLAIM:** “If you want to keep the plan that you’re on, don’t switch. You don’t have to if you don’t want to.”

**FACT:** You would not be keeping the “plan that you’re on”! Yes, you might have the same benefits and out-of-pocket costs—but your premium contributions for those benefits would increase by **100%**. Why didn’t the video mention that you’d be paying double what you’re paying now for the same coverage?

Those premium increases would cost the average employee more than \$10,000 over the next three years. Since Rauner is also demanding a four-year wage and step freeze, that’s effectively a **\$10,000 pay cut**.

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**\*CMS CLAIM:** [Responding to a question as to why the Rauner Administration is trying to eliminate the contract language that guarantees retiree health benefits]: “Retiree health benefits are in state law so there’s no need to put that in our contract.”

**FACT:** State laws can be changed at any time by legislative action. Contractual rights are legally enforceable—and can’t be changed without further negotiation with the union. Why would the Rauner Administration object to the extra safeguard provided by putting the retiree health care provisions in the contract—unless their real agenda is to make draconian changes to retiree health benefits, or to eliminate them entirely?

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**\*CMS CLAIM:** “Employees when they retire will still get their platinum plan with no premiums.”

**FACT:** The video fails to mention that retiree dependent costs (non-Medicare) are tied to the premium rates for current employees. If the governor succeeds in imposing his huge health care cost increases on employees, the premium costs for retiree dependent health care would increase dramatically.

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**\*CMS CLAIM:** “Our proposal on steps was not a permanent freeze. It’s a proposal for this contract only.”

**FACT:** The Administration’s demand is for a step freeze in all four years of the contract. These wage losses are, in fact, permanent and will create an enormous wage gap between newer employees and longer-term employees. Unlike wage increases, steps are part of the terms offered when employees are hired—and employees accept a job based on the expectation of steady progression through the step plan. In the video, CMS does not say how or when steps would be un-frozen. In fact, the Administration has not made any commitment that steps would ever be reinstated.

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**\*CMS CLAIM:** “We offered a merit incentive proposal....to reward employees who were performing.”

**FACT:** Under Rauner’s plan, determining which employees are “performing”—and thus deserving of a modest non-pensionable “bonus”—would be entirely up to management. AFSCME argued that the overwhelming majority of state employees are “performing” every day on the job and deserve equitable treatment—not be left to the whims or prejudices of management.

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**NOTE:** AFSCME has never claimed that health care ‘tiers’ would be eliminated. In these videos, CMS is simply distorting the facts or making up outright lies about things the Union has said.