

Ky. Governor's Healthcare Extortion Is 'A Sneak Preview' of Bush's Medicare

by Marcia Merry Baker

Thousands of Kentucky state workers staged a Sept. 27 "Day of Protest" at towns across the state, against huge health insurance hikes imposed by Gov. Ernie Fletcher (R) after Fletcher's office negotiated with insurance companies to pass extreme cost increases on to the public employees. The Kentucky Education Association called for the actions, and 23 school districts cancelled classes so employees could take part. The biggest rally brought out 4,000 in Louisville, the location of the state protest coordinator, Jefferson County Teachers Association President Brent McKim.

The same day, new national statistics were released by Families USA, showing that workers' costs for health insurance have risen nationally by 36% since 2000.

McKim described the outrageous Kentucky specifics to *EIR* on Sept. 29, noting that he himself would pay 46% more in monthly health insurance premiums, overnight, under Fletcher's already-negotiated contracts with private insurers. McKim said that Fletcher imposed the cost increases on state workers as one of a number of executive actions after the Kentucky legislature, deadlocked on austerity measures, was unable to pass a FY 2005 budget. Fletcher claimed he would save the state \$177 million by having state employees pay 15-46% more (depending on the region of the state) in premiums immediately, plus unprecedented deductibles and co-pays as they used the services of doctors, hospitals, or pharmacies.

Asked about State Rep. Perry Clark's (D) branding Fletcher's new health plan "a death care plan" (in the interview below) McKim said, "That's true. He's right." McKim described a typical case where a teacher with a salary in the range of \$40-44,000, would, under Fletcher's order, pay \$7,400 a year in premiums; an annual deductible of \$500 applying even to routine doctor visits; and co-pays which are a fixed percentage of cost—i.e., effectively unlimited.

The public opposition across Kentucky is so great, McKim reported, that even before the Day of Protest, the Governor, whose public approval ratings plunged, had to "suspend enrollment" in his plan, and call for a special legislative session. McKim said that the teachers and other public unions are planning more protest activities through October, demanding that the Governor abandon or the legislature stop the health cost increases; otherwise, it will affect all their elections, he said.

Interview: Rep. Perry B. Clark

Kentucky Workers Facing A 'Death Care Plan'

Perry Clark, a Democrat, represents the 37th District of the Kentucky House of Representatives in Louisville. He was interviewed on Sept. 29 by Marcia Merry Baker.



EIR: Your home district staged the largest rally in Kentucky. What's happening?

Clark: Here's where we are. The Governor and his Administration negotiated a new healthcare plan for the state, that is not healthcare at all. It's death care. That's basically what you have. *These costs are absolutely astronomical.* A lot of our public employees, especially our school bus drivers, our cafeteria workers, our janitors—they might as well have no insurance at all.

EIR: Something like 171,000 workers affected?

Clark: That's what most people are saying, and most speak of teachers; but what you are forgetting, is that it's all state employees. All your people. Including the retirees, you're probably talking about upwards of 200,000.

EIR: Under Fletcher's proposal, a household already paying, say, \$450 a month for a family plan for medical coverage, is now told they must pay \$600 a month or more?

Clark: Absolutely. And beyond that, the co-pays aren't set at, for example, something like \$20 or \$35, or figures that most of us are used to; they're set at percentages. So you've got—especially on the low-income people—you've got illness, you're sick, and you won't go get taken care of, because instead of the \$25 or \$35 you pay out of your pocket, you're paying a 20% co-pay, you have no idea what that is. And of course, when you go and get medical treatment, you sign and

say, “I will cover all this cost”—you have no idea what that’s going to be.

If they find out that you’re sick—you have leukemia, you have cancer, and you have \$2,000 worth of drugs a month—all of a sudden you are going to be into a \$400 or \$500 co-pay. This is a death plan. People will not do this. People will die on this healthcare plan.

EIR: Governor Fletcher, who is in Europe, has responded by calling the legislature back into session?

Clark: Yes, he called us into a special session. It was supposed to start next week. Of course, that is not official yet.

It’s our understanding that the contracts have already been negotiated, that they’ve been signed, sealed, and delivered. So it gives us very little leeway. About the only thing we have in our arsenal at this time, to deal with the insurance debacle here in the state, is actually, a small increase in pay to help offset the increased medical rates people will be reimbursing.

I’m on the State Government Committee, and I was in Frankfort. And the special session had already been called for, but I was there when we were told, because the contracts were signed, there was very little that we could do to alter this tragedy that’s going on in the state.

The Administration—they’ve been asked to produce the details: How was your plan negotiated? They stonewalled the General Assembly. They are not coming forward and telling us: What were the bases for their assumptions? What were the details of the negotiations with the insurance companies? What was the bottom line for the costs to the state? All this relevant information—they are stonewalling, not coming forward with any of it.

So it’s difficult, if not impossible, for legislators to formulate any kind of plan of recovery without these—and they are simple—details. . . .

With that said, we don’t have much that we can do. We have really got to look at overhauling this whole system.

I think what you have—let me try to formulate, the best way to put it: So many people want to think and believe that government is the problem. But this thing cannot be resolved without [Federal] government intervention, and government taking the lead, to take care of these problems right here. . . .

EIR: Governor Fletcher’s decreeing that state employees must pay up to 46% more for their monthly share of their healthcare premiums, sounds like Dick Cheney-talk. He’s been touring the Ohio Valley swing states, where everything is shutting down, and he just says the economy is great.

Clark: The economy is a disaster. And I don’t know when we’re going to finally face up to that. Unless you already have money—then you are doing OK. But if you just calculate the people who don’t have money—which is most of the people I know—it’s not. It’s dismal.

I don’t know who calculates the inflation rate. It is incorrect. I know that food costs have escalated in the state of Kentucky in the last 18 months in a row. The last three months

was the largest quarterly increase ever!

EIR: Kentucky has been outstanding right along with Ohio, Michigan, Pennsylvania, and the rest, for loss of manufacturing jobs. From 1999-2003, you lost close to 40,000 manufacturing workers all over the state. A lot of textile jobs were lost.

Clark: That would be a close number, 34,000 over a three-year period, manufacturing mainly.

EIR: You had a lot of brand names based in Kentucky—Fruit of the Loom, OshKoshB’Gosh, and others, but the jobs went overseas, and only the corporate offices stayed behind. As in Bowling Green.

Clark: I’m told that in Louisville itself, we lost 14,000 jobs, for a three-year period.

EIR: And even though you still have auto plants in the greater Louisville region, you had huge losses?

Clark: Yes. And that’s part of the deception too. People around Louisville will tell you, “Oh, Ford’s doing good. UPS is doing good.”

Yes, Ford and UPS are doing pretty good. But a lot of the Ford work is from closing down Ford plants, and bringing that Ford work here! That’s why our Ford plant’s doing good. UPS was a hub that was located elsewhere, that was brought in here with great tax incentives. So someone else lost those jobs. We did pick those jobs up.

See, that’s why you have to look at the big picture, the national picture, a lot of times. . . .

EIR: I know you’ve been looking at the big picture. You’ve been conferring with Lyndon LaRouche and others about development plans for the Midwest, and for the country. That’s the back-drop for really getting out of the prospect of just “death care”—as you called it, not healthcare. So look at where we are. Oct. 1 was the date the Army Corps of Engineers asked for, to get funding for carrying out the Ohio River locks and dams improvements, and for the go-ahead on renovating the old Upper Mississippi locks projects.

Clark: I have not heard that it moved forward at all in Congress. You know, all that is to our great detriment, and to our increased cost futuristically. If we’re not going to go to the Dark Ages. We are going to really make repairs that are necessary to carry that infrastructure in the future, really.

EIR: The Kentucky Education Association is said to have 29,000 members, and it was teachers in your Louisville District who initiative the statewide Day of Protest. How many were there? Will there be a strike?

Clark: I’d say, a minimum of 3,000. I think there’s a strike date set up, that the teachers are saying they’re going to hold to: Oct. 27. I guess they are waiting to see what we can get accomplished in Frankfort.

I think that people need to understand, that what you see going on in the state of Kentucky, is basically a sneak preview



Outrage at Kentucky Governor Fletcher's and private insurers' deal for huge hikes in state workers' healthcare costs, led to Sept. 27 protests across the state—these teachers were among 4,000 who rallied in Louisville. Fletcher's move points to Bush Administration plans to let private insurers and brokers into Medicare and Social Security, if the President is re-elected.

of what's in store for us, if President Bush prevails. I think that's what we're going to have. We're going to entrust our healthcare decisions to insurance companies, and pharmaceuticals—that's where we are in this state. That's what is going on here. That's bad.

There's a lot to fear, if those kind of current trends continue. You know, I guess in the early Clinton years, healthcare costs kind of went down, and the number of people without health insurance also declined by the end of his term. And I guess it's been going up since Bush took office. But costs have absolutely soared here recently. . . .

In the last three years, healthcare costs have absolutely devoured any wage increase. Now they may be calculating wage increases, but they are not counting healthcare costs in inflation. Something's not right with their math! I tell you that.

EIR: Elsewhere in the Ohio Valley, there are protests. In Pittsburgh, the police and firemen have had street demonstrations against staff and pay cuts, and healthcare cost hikes from the municipal government under state-ordered bankruptcy austerity. Will there be more protests in Kentucky?

Clark: I hope they do. I like citizen involvement. And when you get teachers there, and not just teachers, when you get the whole staff personnel—and they were all there. Janitors, firefighters were there. Obviously, other unions were there. The AFL-CIO was there. Carpenters. Mainly teachers, but you had a lot of support also.

But all of a sudden, you get talking about how, it's *everybody's health insurance*. It's not just the state employees. You get talking about the fact that *there are no jobs for the*

children. Out utility rates are going out the roof. Our food costs are going out the roof. These are the conversations that go on. That it's not just—this is just the symptom of a much larger problem that we're in. Just symptoms.

EIR: From that point of view, you have a terrific group of LaRouche Youth Movement activists, based out of Louisville, and they were at the rally on Monday, with the LaRouche PAC pamphlet, *It's The Physical Economy, Stupid!*

How did Governor Fletcher even defend his price hikes to begin with? Did he do a Dick Cheney? Did he just say, "We order you to pay more; and we say, it's good for you."

Clark: He did a George Bush. He did a major flip-flop. Fletcher told the teachers, as one of his campaign promises, just a few months ago—he came in in January—he was going to *reduce* healthcare costs 30%, and give you more choices. He's increased costs 50-70%, especially on the lower end workers. He's increased it that high, and given them *one option*, only his option, only that of Birdwhistle—the guy that's with the insurance department, who happens to have been an insurance company executive before. That's the only thing they gave us. Said one thing, did another. Par for the course.

EIR: Are people putting two and two together, to understand that this is the kind of thing we are fighting against, with the Bush/Cheney ticket nationally?

Clark: No. I don't think people are putting that all together yet. That's me. I think, this is what's coming, folks. If you're wealthy and have yours, you'll get protected. If you don't, you're a "useless eater."