

## Privatization must not put health coverage in peril

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**By Murtaza Baxamusa**

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If there is any universal agreement in the wide-ranging debate on the health insurance crisis, it is that the rising number of uninsured Americans is unacceptable.

Besides the moral repugnance at allowing people to get sick and die because they can't pay for care, it's widely acknowledged that the lack of health insurance for a portion of the population is a financial burden on the whole community.

San Diego County, for instance, spends more than \$57 million a year to care for the uninsured whose medical problems have escalated in the absence of preventive care. Hospitals bump up their rates to cover uninsured patients, and that in turn raises insurance premiums.

Being uninsured is not just a personal issue – it's widely seen as detrimental to society.

Yet, when the conversation turns to reducing government spending, privatization is put forth as a panacea of efficiency, and the connection to health care is rarely made. In San Diego, Mayor Jerry Sanders is seeking to privatize city services, forcing city departments to bid against private contractors, without addressing the impact on workers' health care in the law.

Unfortunately, private contractors often appear to trim costs by eliminating or drastically reducing health benefits, an increasingly expensive part of responsible employers' operating costs. That cost may well be the primary factor in determining which companies win the contracts to provide city services, unless protections are put in place to preserve workers' health coverage.

In two reports on The Working Uninsured, the second released last week, the Center on Policy Initiatives has shown that employer-provided health insurance is scarce in many private industries – especially in low-wage, blue-collar occupations. Fewer than half of all working adults in California get health insurance through their jobs. Some are covered through spouses' jobs or publicly funded programs, but 17 percent – 2.9 million workers statewide – are left uninsured.

Some of the specific services targeted for outsourcing in San Diego involve occupations in which nearly half the private work force is completely uninsured for medical expenses. For example, 47 percent of construction laborers and 46 percent of grounds maintenance

workers have no health coverage at all. In the public sector, by contrast, nearly all workers are insured.

San Diego's privatization process contains no real protection against contractors gaining an unfair advantage when they deny workers health coverage and are therefore able to underbid city departments and other companies that are responsible employers.

At the federal level, Congress has recognized the inherent risks in low-balling bids at the expense of health care, and has passed federal law aimed at creating a level playing field. Under the 2008 Consolidated Appropriations Act, outsourcing is not allowed when the savings come from workers losing health insurance.

The city of San Diego should adopt an enforceable policy, similar to federal law, that doesn't allow privatization when the cost difference is derived exclusively from a private contractor reducing or eliminating workers' health benefits. No contractor should win the right to take over our city services by unfairly scrimping on health benefits and increasing the number of uninsured in our city, transferring the burden of health care costs to our hospitals, ratepayers and taxpayers.

The public interest is not served if our economy is hit with an increase in uninsured workers who cannot afford to buy needed medical care. Besides disrupting the security of those workers and their families – who also are San Diego residents – the diminished quality of jobs without health care would lower the reliability of many services city residents and businesses enjoy, from trash collection to smoothly functioning storm drains and traffic lights.

Tomorrow, the San Diego City Council has the opportunity to make sure privatization does not increase the numbers of working uninsured here. The council will vote on an amendment to city law to remove differences in health benefit expenses as an unfair advantage to private contractors.

The council must take decisive action to protect workers' health coverage in the best interests of the city.

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■ *Baxamusa is director of research and policy for the Center on Policy Initiatives, a nonprofit pro-labor, pro-working poor San Diego think tank.*