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**NATIONAL FEDERATION OF NURSES APPLAUDS AGREEMENT TO EXEMPT UNION HEALTH PLANS FROM TAX ON WORKER'S HEALTHCARE BENEFITS**

**Washington, D.C.**— The National Federation of Nurses strongly supports the tentative agreement between the Obama Administration and labor leaders that will temporarily exempt union health plans from an excise tax on employer-sponsored health insurance policies. As this agreement and the healthcare bill are finalized, the National Federation of Nurses demands that nurses' health plans be included in the tax exemption.

"Nurses have historically sacrificed pay increases and other benefits in favor of better health coverage," said Barbara Crane, RN, president of the National Federation of Nurses, a leading national labor union representing 70,000 nurses nationwide. "Maintaining those benefits for these men and women who work in one of the highest-injury professions, and who provide vital care to all Americans, is critical."

The tentative agreement came after negotiations between the Obama Administration and national labor unions that opposed the tax proposal in the Senate healthcare bill. The Senate proposal was for a 40 percent tax on the parts of individual insurance policies that are above annual premiums of \$8,500 and family policies of \$23,000. Far from impacting only wealthy Americans with high-priced insurance policies, the tax would affect middle-class workers, union employees and people in high-risk jobs.

The National Federation of Nurses and other opponents believe the tax would encourage employers to scale back coverage and institute higher co-pays and deductibles that put the burden of the tax directly on workers. This, in turn, would lead to patients not getting the healthcare they need and deserve—and to union workers losing hard-won benefits.

Under the tentative agreement, health plans negotiated under collective-bargaining agreements would be exempt for two years after the 2013 effective date, giving labor leaders time to negotiate new contracts.

Labor leaders secured other concessions as reported by the *Washington Post*:

- Raising the threshold at which family plans are taxed from \$23,000 to \$24,000 and for single plans from \$8,500 to \$8,900, with the threshold increasing annually at the rate of inflation plus 1 percent
- Further raising the threshold if health care costs grow faster than expected from 2010-2013

- Exempting dental and vision costs from the tax, beginning in 2015
- Raising the threshold for plans that have significant numbers of women or older workers

“As health care professionals, nurses see the impact of the country’s failed health care system every day and will become an even more central piece of the 21st century healthcare system,” said Kim Armstrong, RN, of Washington State Nurses Association and secretary of the National Federation of Nurses. “We see this issue first-hand through two lenses: as daily caregivers and as covered employees. For that reason, nurses’ perspectives must be considered in the national dialogue on healthcare reform and their benefits must be protected.”

The National Federation of Nurses and its member organizations have long advocated for health benefits for nurses. For example, recently Oregon Nurses Association reached a tentative agreement at MacKenzie Willamette Hospital clearly directed at protecting benefits, and has worked with AFL-CIO to oppose taxing employee benefits.

#### **About the National Federation of Nurses**

The National Federation of Nurses is a leading national labor organization and collaborative voice for registered nurses represented by collective bargaining agreements. Formed in December 2008 on the principles of democracy, inclusiveness, transparency and equity, the National Federation of Nurses is made up of and directed by its members and provides a collaborative forum for nurses. The National Federation of Nurses is comprised of six state nurses associations (Montana, New Jersey, New York, Ohio, Oregon and Washington), representing 70,000 nurses nationwide. The National Federation of Nurses provides support, education and assistance to member organizations, with a priority on securing workplace protections won through collective bargaining and on reforming our healthcare system. More information is available at [www.nfn.org](http://www.nfn.org).

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