FRIDAY ALERT

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AFL-CIO Prepares for Janus Decision With New Ad Campaign

As the U.S. Supreme Court nears a decision in the JANUS v. AFSCME Council 31 case, the AFL-CIO has launched a national print and digital ad campaign encouraging workers to join together and fight the wealthy corporations rigging the economy against them.

The case will decide the outcome of a lawsuit, funded by the Koch brothers and other anti-worker interests, that seeks to deprive teachers, firefighters and other public-sector workers of their freedom to join a union. The campaign features an open letter from AFL-CIO President **Richard Trumka** urging working people everywhere to stand together and speak up for better wages and safer working conditions. It also encourages workers to visit FreedomToJoin.org, a website dedicated to informing and educating them about unions, how to organize, and how to fight back against corporate attacks threatening their strength every day.

“Show your support for worker freedom and rights,” said **Robert Roach, Jr.**, President of the Alliance. “Visit the website and spread the word using #Union on social media.”

PBGC Projects that Multiemployer Pension Plans Will Be Insolvent by 2025

The Pension Benefit Guaranty Corporation (PBGC) released its 2017 Projections Report that tracks the solvency of its single- and multiemployer pension insurance programs. The findings are grim for multiemployer pensions, which PBGC projects will become completely insolvent by the end of 2025. Over 10 million people are covered under PBGC’s multiemployer pension insurance.

On the other hand, PBGC’s single employer program is improving and projected to come out of its deficit by 2022.

Once a multiemployer plan is past the point of saving, PBGC insurance kicks in and retirees are still guaranteed a small amount of their pension benefit, but could see their benefit checks deeply cut. If the PBGC insurance plan becomes insolvent, the amount each retiree receives will shrink even more.

The number of large multiemployer plans that are on the brink of failure makes the situation worse. PBGC will have to guarantee more retirees a pension as significantly decreasing contributions are being paid into the plan. Currently, about 130 plans covering 1.3 million people are expected to become insolvent within twenty years. A bipartisan committee in Congress has been created to address the pension crisis facing multiemployer plans and find solutions to ensure retirees get their benefits.

“PBGC’s report shows that we must act now in order to prevent this crisis,” said President Roach. “Retirees and their surviving spouses depend on their pensions to survive. We must find a solution so that retirees who worked a lifetime for their benefits don’t see their checks cut down to nothing.”

Pfizer Will Pay $24 Million to the Government in Drug Kickback Case

Drug maker Pfizer has agreed to pay the federal government $24 million in a settled lawsuit regarding an illegal kickback case without admitting any liability or wrongdoing.

Pfizer was accused of making donations to the Patient Access Network Foundation, an organization that assists patients with their copays, and then used a specialized pharmacy to steer Medicare patients toward the foundation. Pfizer used the third party organization to increase its revenues and hide drug price increases.

Federal law blocks pharmaceutical companies from directly offering copay assistance to Medicare and Medicaid patients. Such actions would allow drug companies to hide their price increases while ultimately leaving patients with the bill and no alternatives.

Pfizer had worked with the foundation to create and finance a fund specifically for patients with a certain irregular heartbeat issue, and then hiked prices for the drug Tikosyn. For almost a year, patients on Tikosyn accounted for virtually all patients benefiting from the foundation’s assistance. The scheme also involved two cancer drugs, with both seeing price hikes for Medicare of over 80%.

“Protecting patients from big pharma is long overdue,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance. “We’re satisfied that the Department of Justice was able to expose Pfizer’s illegal activity, but this is only the first step. We must continue investigations into reprehensible price hikes and illegal schemes so that drug makers are held accountable for their actions.”

President Trump Rolls Back Federal Employee Protections and Union Influence

President Trump signed three executive orders last week that drastically reduce federal employees’ rights. The new rules will make firing federal employees significantly easier, force unions to renegotiate contracts to “reduce waste,” and lower the amount of time union representatives may help colleagues address workplace issues such as sexual harassment.

The orders join numerous recent attacks on unions and worker representation. They will have lasting negative impacts on federal workers and their rights to bargain collectively. The American Federation of Government Employees (AFGE) strongly opposes the new rules.

Changes surrounding employee firings will be dramatic. Previously, workers had a few months to demonstrate improved job performance, with an appeals process in place after being terminated. Employees will now have only thirty days to show improvement at work. Seniority will also take a back seat to performance in layoff decisions.

“This is more than union busting – it’s democracy busting,” AFGE National President **J. David Cox Sr.** said in a statement. “These executive orders strip agencies of their right to bargain terms and conditions of employment and replace that right with a politically charged scheme to fire employees without due process.”

"This is the reversal of policies that enforce reasonable accommodations for workers with disabilities and prevent retaliation against whistleblowers,” added **Richard Fiesta**, Executive Director of the Alliance. "If the administration were truly serious about eliminating waste, it would look instead at cabinet members' $31,000 dining sets and $43,000 soundproof booths."

Virginia Legislature Approves Medicaid Expansion, Other States may Follow

The Virginia legislature voted Wednesday to expand Medicaid to include 400,000 more people in need of health care coverage. Several Republicans joined Democrats in a bipartisan budget bill that will make the state the 33rd to adopt the Obamacare program.

Governor Northam

Governor Ralph Northam has expressed deep support for the expansion, and will sign the budget in the coming days. Northam, who made Medicaid access a key campaign issue, was able to sway some Republicans’ opinions after their party suffered huge losses in the 2017 election.

The Trump administration had continuously urged Virginia lawmakers to reject the expansion. Americans for Prosperity, a conservative Koch brothers organization, and former Senator **Rick Santorum** joined in trying to block the budget, but their efforts failed in a 23-17 vote.

Under the Affordable Care Act, states can expand Medicaid to include families living just above the federal poverty line, and the federal government will pay for 90% of the cost.

Virginia isn’t alone in its expansion efforts. Utah and Idaho have approved ballot initiatives to vote on expansion soon, and advocates for the change in Nebraska have until July to collect enough signatures to force a ballot initiative. If those measures pass, hundreds of thousands more Americans would qualify for Medicaid.

“Access to health care coverage is necessary for everyone, and no one knows that more than older Americans,” said Executive Director Fiesta. “Medicaid expansion in states like Virginia will help older Americans not yet eligible for Medicare improve their retirement security, their quality of life and their peace of mind.”
