

# SustiNet Rumors Continue Even After Defeat of Agreement & Legislation

by Christine Stuart | Jul 6, 2011 5:00am



Christine Stuart file photo - Sal Luciano at a Red Cross workers rally earlier this year.

The same day Gov. Dannel P. Malloy allowed the health care pooling bill to become law without his signature — including language that essentially neutered SustiNet into becoming a powerless advisory board — a columnist published an April letter from a union leader and claimed it was further evidence that the defeated union concession package would have forced state employees into a “social experiment.”

“When the concession deal was rejected last month, indignant union leaders blamed a furtive misinformation campaign from inside and outside their ranks,” Kevin Rennie, a former Republican state Senator who is now an attorney, blogger, and Courant columnist, wrote Tuesday. “Dissident union members who opposed the concessions were characterized as ignorant and paranoid. They now appear, however, to have been reasonable, perceptive, and, most dangerous, candid in voicing their concerns.”

Rennie’s evidence is an [April 14 letter](#) authored by Sal Luciano, executive director of AFSCME Council 4, one of the unions that rejected the concession package. The concession package was defeated in part because of the “misinformation“ regarding the changes to the health care package, union spokesmen have said.

Former Gov. John G. Rowland, now a talk show host on WTIC, fueled the fire on Tuesday by calling the letter the “smoking gun” and suggesting it confirms the SustiNet-SEBAC rumor. Both the Malloy administration and the unions have denied that there is any truth to the rumor, which before Tuesday was thought to be dead with the official rejection of the union concession package.

Matt O’Connor, a SEBAC spokesman, wondered what Rowland was smoking when he made the comment.

“Read the letter. Sober up. Then tell me what it says,” O’Connor quipped Tuesday.

**‘Smoking Gun’ or Smoke and Mirrors?**

Why is the Sustinet-SEBAC rumor persisting? Even Malloy criticized the news media last week, blaming reporters for failing to clarify the facts sooner.

“You guys quite frankly while all this was going on could have done a better job of reporting that I was the guy who curtailed Sustinet, and that I was the guy that brought up that we couldn’t put state employees into such a plan,” Malloy said last week.

Before the Governor made up his mind to [kill efforts](#) for a more robust Sustinet bill, Luciano had written him on AFSCME letterhead and as a volunteer member of the [Sustinet Board of Directors](#). As a volunteer member of the board, Luciano studied the creation of a universal type health care system for nearly two years before handing recommendations back to lawmakers in December. Few of those specific recommendations ever became legislation. However, the legislation that was later proposed and which would have allowed municipal and nonprofit employees to join the unions’ health care plans, effectively died in early April before Luciano even sent the letter.

To be fair, the letter may have been a fruitless, last-ditch lobbying effort by Luciano to salvage Sustinet.

But knowing there was no chance it would ever come to the House floor for a vote, lawmakers further took the extraordinary additional step in June of sending the bill back to committee — a.k.a. [killing the bill for this year](#) — when it looked like its presence on the calendar could impact voting on the state employee concessions package.

Luciano’s April letter was dated two days after Malloy finished his 17 town hall meetings, during which he repeatedly told Universal Health Care Foundation supporters that [he would not get on the Sustinet train](#).

“Sustinet will provide affordable medical insurance to many more by making the state employee plan accessible to municipal employees and small businesses,” Luciano wrote in his letter.

“The state employee health plan will become part of Sustinet, which some call a ‘Cadillac plan,’ clearly a derogatory term to imply overly rich benefits. It is a specious claim,” he wrote.

O’Connor says the “will become part of Sustinet” phrasing may have been an unfortunate choice of words because Luciano knew the state employees’ plan would be used to create economies of scale and would continue to be negotiated separately through collective bargaining. He said a 2005 [resolution](#) passed by SEBAC ensured the autonomy of their health care plan — meaning other populations would not be joining the unions’ pool or disrupting costs.

But O’Connor said that without an agreement past 2017, there is no guarantee state employees will be able to hold onto the health benefits they were offered as part of the failed agreement.

Further, O’Connor said the agreement reached between SEBAC and the Malloy administration said nothing about universal healthcare.

“What it did say was that the benefits and access of state employees to their health care would be protected through at least July 1, 2022,” O’Connor [wrote on the SEBAC website](#). “It did say that neither the legislature nor the governor could make unilateral changes to employees’ health care for at least 11 years — five years longer than they are currently protected.”

Ironically, the failed agreement would have made state employee health benefits less subject to legislative manipulation, O'Connor said.

The remnant of SustiNet, which passed the legislature as part of [health care pooling legislation](#) and which Malloy allowed to become law without his signature, creates a 21-member board to discuss the way forward for a state health care plan that compliments the federal exchanges going into effect in 2014. The legislation does not prescribe any action be taken aside from the creation of the board and discussion.

The 2009 SustiNet legislation that created the SustiNet Board of Directors expired when they made their recommendations to the legislature in December. The [legislation](#) that followed the board's recommendations was defeated when it became clear to lawmakers that it would not receive Malloy's support.

The Universal Health Care Foundation, which helped dedicate funds to the creation of the SustiNet legislation, did not immediately return calls for comment.