

# The Benefits of OSA

One of the most common questions that OSA staff and officers field from members, new and old, is “why doesn’t the union have a drug plan?” On the reverse of this flyer is a chart of OSA’s benefits as compared to DC37’s benefits. We prepared the chart a couple of years ago during an election campaign.

All union welfare funds receive the same amount per member to provide whatever panel of benefits they choose – vision, dental, life insurance, long term and/or short term disability, hearing aids, major medical plans, drugs, and so forth. **In 2017, that amount is approximately \$1,700 per member.**

How we choose to spend those funds is different from how DC37 spends those funds, for example. Neither fund is better than the other, just different. As you will notice in the chart, OSA’s benefits are very good. In fact, OSA closely matches the benefits that managers receive through the Management Benefits Fund (MBF).

Every year we send out a breakdown of how those funds are used on a per member basis. **In 2017, more than \$900 per person was spent on OSA’s truly excellent dental plan. Another \$200 per member was spent on superb vision benefits, with the remaining \$600 going for major medical, long term disability, life insurance, miscellaneous benefits and administration.**

The demand for free prescription drug coverage is in a unique category. The short answer to why OSA does not provide a drug benefit is history. After many years of trying, our organization got the right to cover 600 of our members for collective bargaining purposes in 1989. We had to choose which benefits to buy for our welfare fund. We chose to model our fund on the MBF plan. We were all previously covered by that plan, and we were used to those benefits. The MBF did not provide drug coverage although drug coverage then was inexpensive.

**The cost of drugs began to rise in 1990, and has increased radically ever since.** Those unions who provide drug coverage began to run out of money. As a result, they sought and obtained an extra \$100 per member, added to the welfare funds in one contract after another.

Both MBF and OSA got this extra \$100 each time. Since \$100 was not enough to provide a drug plan, each increase was used to improve benefits, such as better eyeglasses, dental and life insurance. That explains why we didn’t have a drug plan in the past.

Why are we not moving towards providing a drug plan? The answer is money. The cost of a drug plan, depending on its provisions, would be between \$800 and \$1200 per member covered,

per year. For the sake of argument, the cost would be about \$1,000. The cost of all drug plans is going up due to increasing drug costs and the Affordable Care Act,

which requires the coverage of all drugs with no limits. So, if the cost of a proposed drug plan is \$1,000 per member this year, it might be \$1,050 next year, and probably at least \$1,100 the next.

Our normal surplus is \$200-\$400 per year per member. If we provided a drug plan, we would have to use up reserves, cut benefits, or get more money from the City. Using up reserves only lasts until they are gone, cutting existing benefits would be very distressing to members who are dependent on them, and additional City money is usually very limited.

**Why doesn’t OSA have a drug plan? To provide a drug plan, we would have to use up reserves, cut benefits, or get more money from the City.**



**Organization of  
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# A SHORT COMPARISON OF OSA VS DC 37 WELFARE FUND BENEFITS

BENEFIT	OSA		DC 37	
<b>Audiology</b>	Free with prescription. 1 hearing aid per ear every 2 years (\$1,500 Maximum).	▲	Free at one site only. 1 basic digital hearing aid in one ear every 3 years.	▼
<b>Catastrophic Benefit</b>	\$500 deductible (any plan) Reimburses members for 90% of all customary and reasonable costs between \$500 and \$2,500 out of pocket; 100% thereafter. Applies to full time, part time and retired members.	▲	\$1,000 deductible (for GHI covered members only). Improves rate of reimbursement by GHI after payment of deductible. Applies to full time active employees only, not part time or retired employees.	▼
<b>Counseling</b>	Yes	=	Yes	=
<b>Death Benefit</b>	\$50,000 to beneficiary	▲	\$10,000 to beneficiary	▼
<b>Dental</b>	Up to \$4,000 per year. Over 1,900 participating offices. Panel dentists do not charge members a co-pay for periodontal work. There is a \$4,000 additional lifetime orthodontic benefit.	▲	Up to \$1,700 per year; less than 400 participating dental offices; panel dentists charge a \$10 co-pay per quadrant for periodontal work.	▼
<b>Disability</b>	<u>Long Term:</u> Pays \$1,000/month. <u>Maximum coverage:</u> 60 months or until age 65. (If disabled after age 65, coverage is 24 months, and if disabled after 69, 12 months.) Eligible after six months of illness, whether or not leave is exhausted.	▲	<u>Short Term:</u> Pays not more than \$200/week. <u>Maximum coverage:</u> 26 weeks. Must notify fund within 15 days of start of illness. Starts after sick leave is exhausted.	▼
<b>Drugs</b>	Covered only in serious cases under the Superimposed Major Medical plan.	▼	Covered except for co-payments	▲
<b>Optical</b>	1 pair of glasses per year free at 2,509 participating sites OR up to \$150 reimbursed for glasses bought at a non-participating optician. Most participating offices have a Davis "tower" display of 220 frames available (at no cost). Transition and progressive lenses, etc. available at no cost.	▲	Up to 1 pair of glasses every 2 years at participating providers. (Services covered are based on a need determination by the plan.) A supplemental benefit is available of an eye exam and change of lenses at 1 site in Manhattan (must be at least 1 year from standard service.)	▼
<b>Pension Counseling</b>	Yes	=	Yes	=
<b>Survivor Benefit</b>	Upon the death of a member, plan offers coverage for survivors for 36 months; Pays full cost of basic medical premiums (GHI, HIP, AETNA, etc.) for 36 months.	▲	Upon the death of a member, plan offers coverage for dependents for 12 months. No reimbursement provided on basic medical premiums.	▼

**LEGEND:** ( ▲ ) Better Benefit ( ▼ ) Lesser Benefit ( = ) Equivalent Benefit