

32BJ Labor Industry Cooperation Fund Interactive Tools Webinar

ROB PACZKOWSKI – SENIOR DIRECTOR, GLOBAL BENEFITS, EBAY

CORA OPSAHL, HEALTH FUND DIRECTOR

CLAIRE BROCKBANK, DIRECTOR – POLICY & STRATEGY

RYAN MANGANELLI, SENIOR MANAGER – POLICY

April 24, 2025



32BJ LABOR INDUSTRY COOPERATION TRUST FUND

Agenda

- 32BJ Health Fund and LICF Updates
- Healthcare Administrator Contract-First Template
- Healthcare Savings Calculator Demo
- What's Next



Who is the 32BJ Health Fund?

- A self-insured, multi-employer plan that provides health benefits to over 217,000 covered lives or union members of 32BJ SEIU and eligible dependents in 11 states and Washington, D.C.
- Union members are cleaners, property maintenance workers, doorpersons, security officers, window cleaners, building engineers, school and food services workers, and airport workers.
- The Fund is jointly governed by the Union and the Employers, using contributions from 5,000 employers of all sizes to fund health benefits
- The Fund provides high-quality health benefits with \$0 monthly premiums, \$0 in-network deductibles, and low in-network copays
- The Fund has been leveraging data to drive innovation and save money for many years

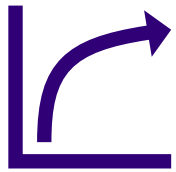


Who is the 32BJ Labor Industry Cooperation Trust Fund (LICF)?

- Created by SEIU 32BJ and the Realty Advisory Board on Labor Relations, Inc., to contain healthcare costs for the benefit of 32BJ union members and employers in New York City and surrounding areas.
- The LICF partners with the 32BJ Health Fund to ensure 32BJ union members and their families have affordable, comprehensive, and innovative health coverage.



Our vision is to ensure affordable, high-quality healthcare for our members



To maintain a low healthcare spending trend.



To keep members at the center of everything we do.



To solve the affordability challenge and ensure that access to high-value, affordable healthcare is always easy for 32BJ Health Fund members.

32BJ Health Fund Facts: Data

In 2023, the Health Fund spent \$1.4B in healthcare

Inpatient and outpatient hospital costs make up 55% of Health Fund spend

In 2021, Health Fund costs were 271% of Medicare

Healthcare costs make up 37% of total compensation

In the past 10 years, wages have gone up 54% but healthcare has gone up 230%



32BJ LICF - NJ & NY Coalition for Affordable Hospitals Campaign Updates

Current State Campaigns

**NEW YORK STATE – FAIR PRICING ACT
(S.705/A.2140)**



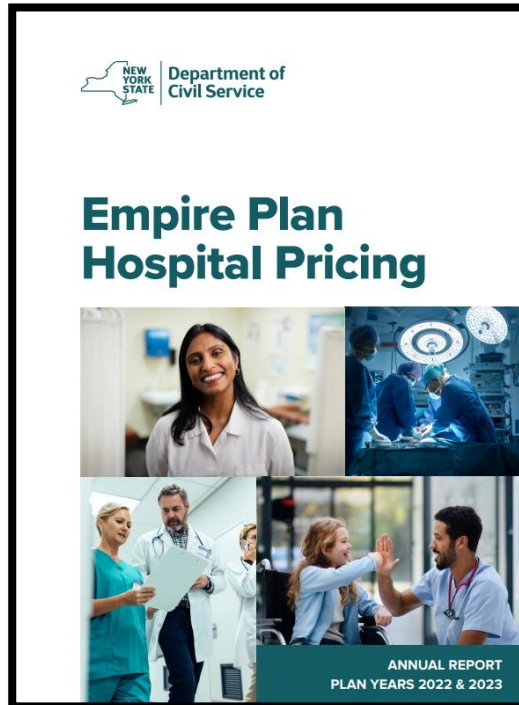
**NEW JERSEY – STRENGTHEN & CODIFY OHCAT
(A5376/S4299)**



32BJ LICF - NJ & NY Coalition for Affordable Hospitals Campaign Updates

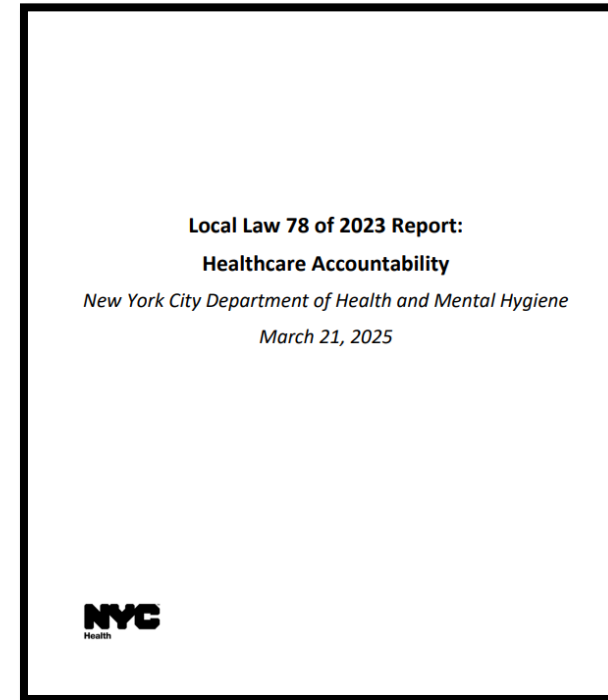
Implementing Enacted Legislation

NEW YORK STATE



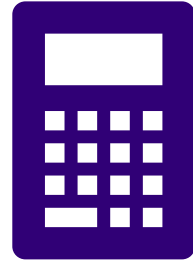
Enacted in 2024 by the Healthcare Data Transparency Act (S8029/A8507).

NEW YORK CITY



Enacted in 2023 by the Healthcare Accountability and Consumer Protection Act (HACPA) (Intro. 844-A)

32BJ LICF Interactive Tools



Healthcare Savings Calculator

Understand hospital price savings potential, if prices were lower.

Compare existing hospital spend to Medicare and commercial market break even benchmarks.



Healthcare Administrator Contract-First Template

Challenge the industry standard of accepting bidder contracts before negotiations.

Use as a mechanism for accountability with TPA bidders for their promised services as a vendor.



32BJ Health Insights

Setting the Terms

Healthcare Administrator Contract-First Template

Available for Download:

32bjhealthinsights.org/interactive-tools/#HealthcareSavingsCalculator



Pervasive Challenges in Contracting Practices Today

- **The Status Quo: Time consuming, intimidating, expensive and tipped against the purchaser**
 - Purchaser engages a consultant or broker and issues a hefty RFP.
 - Purchaser focuses mostly on network match and low administrative fees.
 - After the purchaser has made the selection, the contracting process begins.
 - Contract comes from the vendor and is extraordinarily complex and weighted toward the vendor.
 - Consultant does not typically assist in the legal contracting, so purchaser has no real advocate.
 - Contracting process often extends past the implementation roll-out date.



Consequences of Standard Industry Practices

- Power dynamics shift.
- Focus on administrative fees as opposed to total costs results in many added costs with no accountability and minimal documentation/reporting from the vendor.
- Lack of expertise and vendor-centric language results in purchaser inadvertently signing away rights.



How did the 32BJ Health Fund challenge the status quo?

- **The 32BJ Health Fund's Contract-First Template**

- The 32BJ Health Fund invested resources and partnered with industry experts to develop a purchaser-centric model contract.
- The contract was integrated into the 32BJ Health Fund's administration vendor selection process.
- RFP responses would not be accepted and reviewed without also submitting a redlined contract.
- This obligated bidders to be transparent about what they could deliver if they were selected as a vendor.
- Both contract and RFP responses were scored.
- The 32BJ Health Fund had a clear line of sight into each change requested by each vendor.



The Healthcare Administrator Contract-First Template

- **The Contract-First Template**

- The template consists of 15 sections, 36 pages for employers to adapt.
- The template sections include:
 - Administrator and Purchaser Responsibilities
 - Proprietary Rights and Confidentiality
 - Audit Specifications
 - Oversight, Monitoring, and Reports
 - Compliance and Data Access Provisions
 - Fees and Payment
 - Standard sections such as indemnification, definitions, dispute resolution, etc.



The Contract-First Negotiation Process

Once the initial redlines were received:

- Compare across different bidders.
 - What one bidder says is not feasible another will say is not a problem.
- Compare contract response to RFP response.
 - Sales teams are often more flexible than legal teams.

The 32BJ Health Fund used these insights from the contract-first process to address those differences to leverage “noes” into “yesses”.



RFP Contract: We Have Come A Long Way

WHERE WE STARTED

- Limited Data Ownership
- No Downstream Rights
- Redacted Claims Data
- Limited Transparency
- No Medical Rebates Disclosure
- Forced Program Participation
- Limited Direct Contracting
- No Upside Down Claims Adjustment
- No Manual Claim Reviews
- No Medical Review for High-Cost Claims
- Limited Audit Flexibility

WHERE WE ARE ENDING

- Full Data Ownership
- Standardized NDA
- Field-Specified Full Claims Data
- Accountability
- Rebates Disclosed and Retained
- Insourcing and Carve-Out Rights
- Direct Contracting Permitted
- Upside Down Claims Adjustment for Most Hospitals
- Low Manual Claims Review
- Medical Record Review for High-Cost Claims
- Greater Audit Independence
- Ability to work with WebTPA



Healthcare Savings Calculator Demo

Interactive Tools

HEALTHCARE SAVINGS CALCULATOR


How much could your group save on hospital spending?

With just a few data points, this healthcare savings calculator can help a group purchaser identify how much it could save if it paid hospitals what they need to break even, based on their reported costs.

This calculator will walk you through a short series of questions to generate a high-level savings estimate for your group. For a more complete report that models how much your group could save at various hospital pricing levels, please download the accompanying PDF at the end of the survey questions.

Calculate Your Savings

Note: If you do not know your group's healthcare costs, this tool will estimate them using the average amount of money spent on healthcare for an individual in your state. Pricing data relative to Medicare is not available for the state of Maryland.



Interactive Tools

HEALTHCARE SAVINGS CALCULATOR

Step 3 of 6 - COVERED POPULATION

How many **employee subscribers** do you cover in New York? ⓘ

Number of employee subscribers

How many **total lives** do you cover in New York? ⓘ

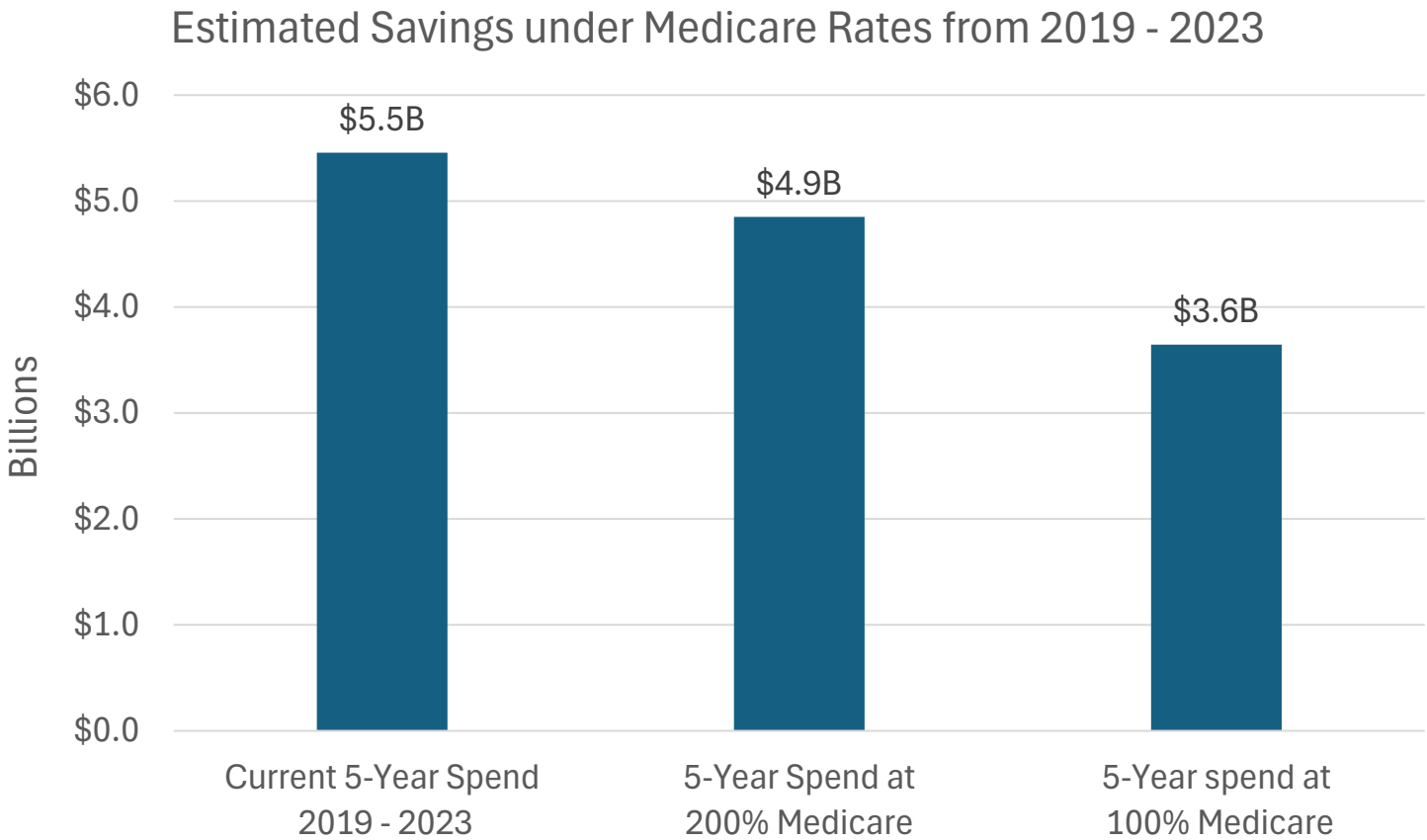
Number of total lives covered

Previous **Next**

32bjhealthinsights.org/interactive-tools/#HealthcareSavingsCalculator

Example 1: 32BJ Health Fund Savings

Medicare sets rates adjusted by geography, severity, and hospital characteristics (size, teaching hospital status, proportion of uninsured patients, etc.)



**Total Estimated Savings,
2019-2023**

200% Medicare: \$603M
100% Medicare: \$1.9B



Example 2: New York City Health Plan Savings

Using only total healthcare spending (**\$9.3B**) for the New York City public employee and retiree health plan published in the 2025 Office of Healthcare Accountability report, we can estimate various savings opportunities for lowering hospital prices.

If NYC had hospital prices like...	Total hospital spend would have been...	And NYC could have saved...
Medicare (100% of Medicare)	\$1.2 billion	\$2.5 billion
Massachusetts (193% of Medicare)	\$2.3 billion	\$1.4 billion
New Jersey (267% of Medicare)	\$3.1 billion	\$503 million
Status Quo (310% of Medicare)	\$3.6 billion (estimated)	\$0

If the City Health Plan lowered hospital spend by only 5% it could save \$180 million per year.

We invite you to use the Interactive Tools to

- **Estimate potential savings** from lowering your hospital spend with the **Healthcare Savings Calculator**.
- **Set the Terms** with third-party benefit administrators and vendors using the **Healthcare Administrator Contract-First template**.
- **Share** them across your network and **empower** benefits teams to drive proactive management of healthcare spending!
- **Contact us** to engage and share questions about the Interactive Tools.
(LICF@32bjfunds.com)





**MARK
CUBAN**

Co-Founder,
Cost Plus Drugs

**KEYNOTE
SPEAKER**



32BJ LABOR INDUSTRY COOPERATION FUND &
32BJ HEALTH FUND

PRESENT

**4TH ANNUAL
FALL CONFERENCE**

OCT 9, 2025

Metropolitan Pavilion
125 W 18th Street
New York, NY 10011

**MORE DETAILS &
REGISTRATION
COMING SOON**



32BJ LABOR INDUSTRY COOPERATION TRUST FUND

What's next?

- Access and share the 32BJ LICF Interactive Tools with your networks.

(www.32bjhealthinsights.org/interactive-tools/)

- Learn more about or join the NY & NJ Coalition for Affordable Hospital Campaigns.

(www.coalitionforaffordablehospitals.org)

- Sign up to receive updates on the 2025 Fall Conference, NY & NJ Campaigns, and more from the 32BJ LICF email newsletter.

(email us at LICF@32bjfunds.com to receive updates)

- **(Coming Soon!)** PBM Contract Template Release



32BJ LABOR INDUSTRY COOPERATION TRUST FUND