

32BJ Labor Industry Cooperation Fund Spring Webinar

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32BJ LABOR INDUSTRY COOPERATION TRUST FUND

Agenda

- Introduction
- The Role of Direct Contracting
- PBM Contract Template
- Legislative Updates
- What's Next



Who is the 32BJ Health Fund?

- A self-insured, multi-employer plan that provides health benefits to over 200,000 covered lives of 32BJ SEIU union members and their families 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

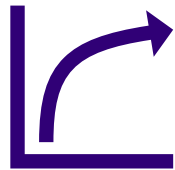


Who is the 32BJ Labor Industry Cooperation Trust Fund (LICF)?

- 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.



The 32BJ Health Fund 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.

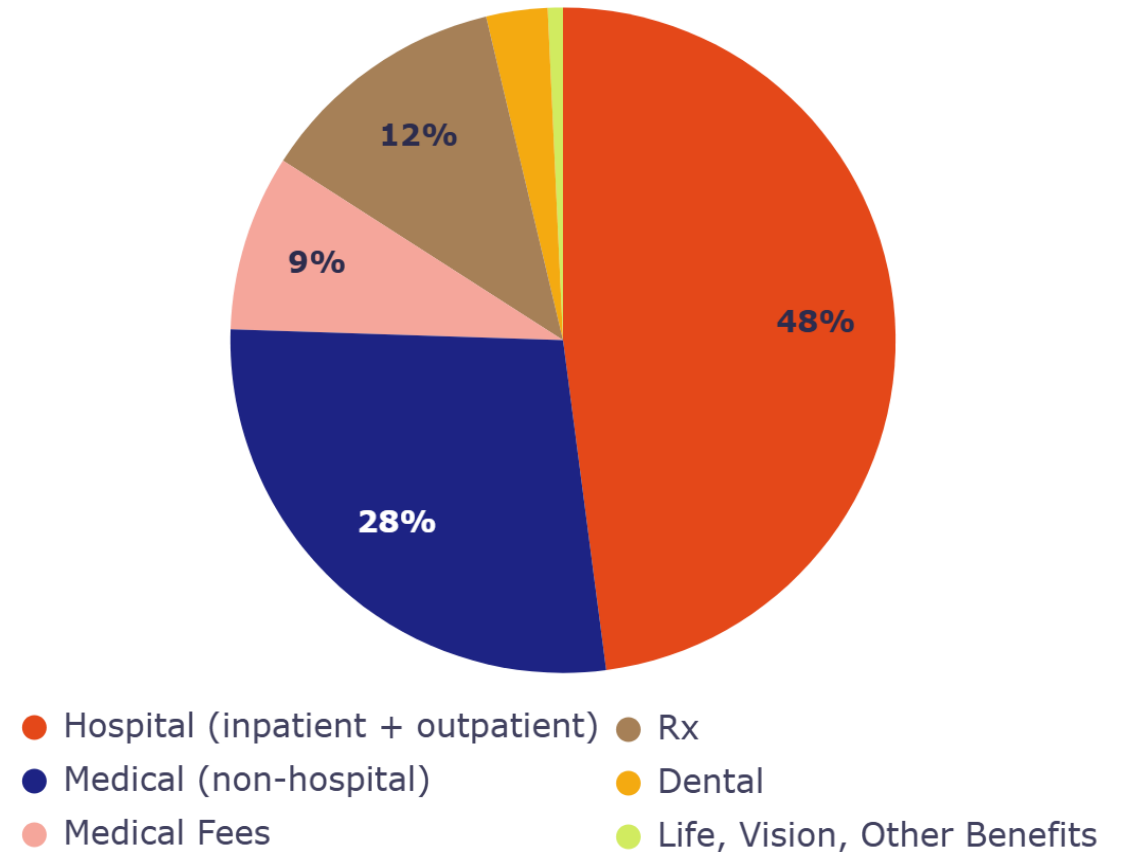


To solve the affordability challenge and ensure that access to high-value, affordable healthcare is always easy for 32BJ Health Fund members.

Hospitals are the largest expense to the 32BJ Health Fund

- When 32BJ Health Fund analyzed our medical claims data, we discovered that hospital prices are the #1 driver of cost to our Health Fund.
- 32BJ Health Fund also discovered that **hospitals alone account for 48%** of all the Health Fund's health care costs – more than any other category.
- Other costs include doctors' office and urgent care visits, prescription drugs, dental & vision benefits.

32BJ Health Benefit Spending, 2025
Total: \$1.9 billion



DOJ Antitrust Actions Target Hospital Contracting Practices


THE WALL STREET JOURNAL.
World Business U.S. Politics Economy Tech Markets & Finance Opinion Free Expression Arts

Justice Department Files Antitrust Lawsuit Against New York-Presbyterian

DOJ has been investigating prominent hospital system's contracts with insurers

By [Anna Wilde Mathews](#) [Follow](#) and [Dave Michaels](#) [Follow](#)
Updated March 26, 2026 9:55 pm ET

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A photograph showing the entrance of a New York-Presbyterian hospital. A red sign above the entrance reads "AMBULANCE" in large white letters. Below the sign, three ambulances are parked. The sign also features the logos for New York-Presbyterian and Columbia University Irving Medical Center.

The New York Times

U.S. Accuses New York-Presbyterian of Reaching Deals That Kept Costs High

The Justice Department sued the large New York health system, saying it restricted insurance companies from offering patients cheaper options.

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A photograph of a tall, multi-story brick building, likely a hospital. A prominent red sign on the building reads "New York-Presbyterian" and "Columbia University Irving Medical Center". A blue sign next to it reads "COLUMBIA" and "COLUMBIA UNIVERSITY IRVING MEDICAL CENTER". The building is surrounded by other city buildings and trees.



Pursuit of a Fairer Market

The Role of Direct Contracting



Bridging Policy and Market Approaches

POLICY

When a market approach doesn't work – use a policy approach:



Ban anti-competitive contracting



Enhance price transparency



Bolster regulation and oversight

MARKET

When a policy approach doesn't work – use a market approach:



Direct contracting



Contract first approach



Innovate benefit design

Benefits of a Direct Contracting Model for Purchasers

- **Control:** Puts the Purchaser in the driver's seat in controlling its plan costs
- **Precision:** Prioritizes price as a key lever in total cost of care, ensuring near-term value realization not solely reliant on member behavior change
- **Value:** Allows the Purchaser to partner with providers on other priority areas, such as a quality, access, disease management, navigation, and patient experience
- **Partnership:** Positions the Purchaser and the provider for direct and ongoing engagement to identify and implement improvements in plan performance and member experience



Prerequisites for Direct Contracting

- Ability to carve out services or facilities for direct contracts
- Full data and audit rights
- A TPA that can administer a direct contract
- Both internal and external data acumen



Partner Quest

- Aligned vision
- Opportunity to add value to both parties
- Collaborative focus on clinical as well as business practices
- Data driven and externally validated
- Non-exclusive
- Partner with direct contracting mindset and expertise
- Willingness to embark on a public journey



Key Measures of Success

- Fund and member-level savings
- Change in member decision-making and choice
- Correct claims processing (dependent on TPA partner but critical for savings to be realized)
- Use of dedicated navigation and access channels that reduce member friction and confusion
- Successful design and launch of “phase 2” and “phase 3” collaboration areas specific to high-cost / high-intensity conditions and diseases
 - Includes greater focus on care gap identification, outreach, and solutioning for specific rising- and high-risk member segments
- 32BJ Health Fund and member experience with the partnership



Direct Contracts with 32BJ Health Fund



Setting the Terms

PBM Contract Template



From Medical Benefit to PBM – The Next Chapter in Contract First



- ✓ Set terms upfront with TPA to maintain rights, data access and benefit design

- ✓ Apply the Medical Benefit TPA Procurement lessons learned



The PBM Contract-First Negotiation Process

The 32BJ Health Fund PBM procurement was an opportunity to apply lessons from the TPA contract-first process.

Once the initial redlines were received:

- Compare across different PBM bidders.
 - What one PBM bidder says is not feasible another will say is not a problem.
- Compare PBM bidder 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”.



Anatomy of a Contract

- Definitions, definitions, definitions
- Services
- Responsibilities
- Terms and Conditions
- Fees and Payments
- Security, Audits, and Oversight



PBM Moment of Opportunity: Policy and Market Approach in Action

32BJ Health Fund's PBM contract-first procurement is an example of responding to market opportunities while policy changes are in development.

Policy

Bolster regulation and oversight

2026 CAA passage in Congress (effective 2028)

DOL PBM Disclosure Proposed Rule (effective TBD)

Market

PBM contract-first approach

Set the terms for current contract



Legislative Updates



32BJ LICF - NJ & NY Coalition for Affordable Hospitals

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

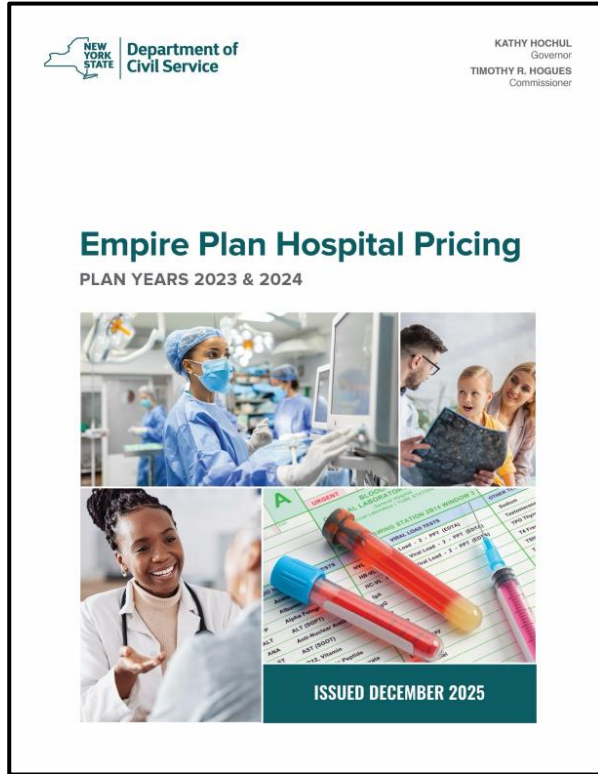
**NEW JERSEY – STRENGTHEN & CODIFY OHCAT
(A1729/S3012)**



32BJ LICF – Implementing Enacted Legislation

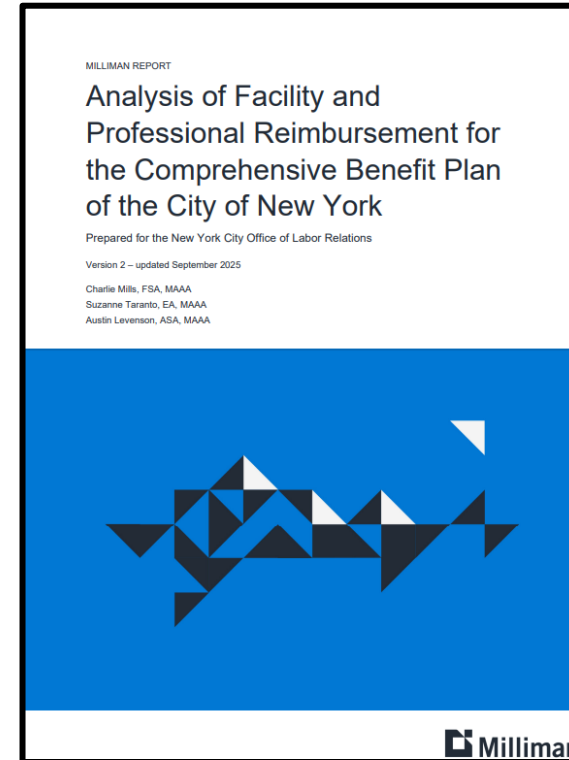
Includes Percent of Medicare Benchmarks

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).



What the 32BJ LICF is Watching on The Hill

Policy Priorities	Proposals Monitoring
Curbing anti-competitive contracting	Healthy Competition for Better Care Act (S.4027/H.R.6248)
Advancing site neutral payments	Cassidy-Hassan Framework, HHS rulemaking
Strengthening independent dispute resolution oversight	Pending HHS final rule
Protecting employers' rights to their data and benefit design	Patients Deserve a Price Tag Act (S.2355/H.R. 5582)
Enhancing PBM regulation and transparency	2026 CAA, DOL PBM Disclosure Proposed Rule



What's Next



What's next?

- **Leverage** the PBM contract template (available by request; full release soon) to preserve rights upfront with your PBM vendor.

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

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

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

(www.coalitionforaffordablehospitals.org)

- **Sign up** to receive updates on upcoming events, NY & NJ Campaigns, and more from the 32BJ LICF email newsletter.

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

