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Ispat Inland retirees lose health care benefits

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CHICAGO | Mittal Steel USA is eliminating health care and prescription drug coverage for the Medicare-eligible, salaried pensioners who retired from Inland or Ispat Inland after 1984, so the company can be "competitive in the global marketplace."

In a letter to the 2,700 retirees and surviving spouses affected, the world's largest steelmaker said it was dropping both benefits as of Jan. 1, 2006, because of "availability of both medical and prescription drug coverage through Medicare" and recommendations by a consultant who was hired to examine Mittal's benefits programs "stacked up" against the marketplace.

Retirees, spouses and their eligible dependents who won't reach age 65 until after Jan. 1, will lose the coverage on the first day of the month after they reach age 65, or become Medicare-eligible for any reason.

"Shame on Mittal," said a retiree, who will lose her health care and prescription drug coverage in just more than two months.

"The coverage was a promised benefit. I never thought they'd take it away from us."

The Ispat Inland retiree, who asked not to be identified, said Medicare Part D, which takes affect Jan. 1, "is the perfect excuse for them to bail out."

"They couldn't put the screws to the union workers, so they went after us retired secretaries without union protection," she said.

Company spokesman David Allen said Mittal will save \$2.5 million annually of the \$36 million it pays for prescription drug benefits by eliminating it for retirees, but they shouldn't see the company's action "as a take-away."

"It's more like the government is taking over something we've provided," he said Monday.

Plus, retirees no longer will have to pay the \$65 premium, which has been deducted from their pension checks, Allen said.

Yet, the company has sent a letter to union retirees advising them not to sign up for Medicare Part D, because the benefits they get through the company are better," said Jim Robinson, director of United Steelworkers District 7.

He called Mittal's decision to take away the salaried retirees benefit as "outrageous."

"There doing it because they can," Robinson said echoing the words of Tom Hargrove, president of USW Local 1010, at the former Ispat Inland plant.

The company is offering those affected access to one of two "guaranteed issue, nationwide indemnity plans

that provide medical and prescription drug coverage at a reasonable cost." The cost depends on age, pre-existing conditions and other variables, Allen said.

"The bottom line, I'm told, is the cost difference for employees will be negligible," Allen said.

The company is providing the affected pensioners with the option of buying supplemental coverage to Medicare. It has selected two health care plans that will automatically enroll its members in Medicare Part D prescription drug coverage and supplement all three Medicare plans, according to the letter sent to the affected pensioners.

The supplement plans are administered by National Employee Benefit Companies Inc., known as NEBCO

"We did go shopping and that seems like the best option," Allen said. "It's cheaper than buying a supplement independently, and pre-existing conditions are covered."

Mittal's elimination of the retiree health care benefits on Jan. 1 doesn't affect those covered by union contracts, but the issue crops up in every labor negotiation, Robinson said.

"They're not doing it to our retirees because they can't," he said.

"That's why we have a union. If we didn't, it would happen to everybody. Every contract we're involved in is a big fight about health care. They've been trying to take it away from us for years. The steelworkers union is absolutely committed to defending our retirees."

The health care issue should be fought in Washington, D.C., not in union/company negotiations, Robinson said.

"Out-of-control health care costs are destroying the country," he said. "It puts companies at a global disadvantage and people can't afford to pay for it, and it's wrecking our standard of living. As a nation we ought to get together and solve the problem once and for all. The U.S. is the only major industrial democracy in the world that hasn't chosen to get national health care."

[EXTRAS]

NEBCO will host two informational sessions on its health care and prescription plan coverage. They will be held at 5:30 p.m. Wednesday and 11 a.m. Thursday at Teibel's Restaurant, U.S. 30 and U.S. 41, Schererville. For information, contact NEBCO customer care center (888) 883-3757.