

Few truckers can afford insurance

By Kristopher Hanson, June 3, 2008

LONG BEACH – A port-funded study on health care options for independent truck drivers in San Pedro Bay paints a mostly bleak picture for drivers and their families, who face high costs, limited coverage and the likelihood of rejection by insurance companies.

The study, presented Monday to Port of Long Beach Harbor Commissioners, estimates that 40 percent of drivers would probably be denied by insurance companies because of existing health issues that could include asthma or high-blood pressure, and high costs could force many to enroll their children in taxpayer-funded health care programs.

The study seems to confirm what critics of the independent driver system have argued all along - owner-operator drivers, like many Americans, simply don't make enough money to purchase quality health care.

“The reality is, right now under the current system, these guys can't afford health insurance,” said Angelo Logan, a Long Beach resident who heads East Yard Communities for Environmental Justice, an environmental organization working to organize local truckers.

“And so the public picks up the cost when these people end up getting sick and into the public health-care system. We're arguing that it should be imbedded in the costs of moving goods instead of being placed on taxpayers.”

Critics say commissioners should champion a program where drivers are hired as employees of trucking companies, a scenario that allows firms to subsidize health-care costs by raising the price to move containers in and out of the port.

The health-care debate stems from a promise Long Beach harbor commissioners made in February that concessioned trucking companies servicing their port after October would need to provide health-care options to drivers.

Because the Port of Los Angeles adopted a concession model requiring truck companies to hire drivers as employees - as Logan encourages Long Beach to do - it isn't wrestling with the same health-care questions.

Under both cities' concession agreements, trucking company fleets - whether owner or contracted - would need to meet 2007 emission standards by 2012.

The so-called “Clean Truck” programs were adopted primarily to slash the high level of poisonous diesel soot spewed by roughly 17,000 rigs hauling goods in and out of local ports each day.

But while clean air was the primary goal, concession agreements were also written to fix what harbor commissioners have termed a “broken trucking industry.”

Studies show most of these drivers, who comprise 90 percent of the harbor workforce and are paid by the load, earn about \$11 per hour after expenses like fuel and vehicle maintenance.

The great majority are uninsured.

To assist them, Long Beach commissioned Alliant Insurance Services in March to study affordable health-care options for the self-employed.

While the report found that options are indeed available, without serious driver wage increases, most remain out of reach.

According to Alliant, a HealthNet HMO plan for a healthy 33-year-old driver with a wife and one or more children is \$570 per month.

The driver alone, however, would pay \$140.

A cheaper Blue Cross plan, offered at \$55 per month, offers some prescription drug benefits, but requires the subscriber to pay 40 percent of a hospital stay and 40 percent of emergency room care.

And the Blue Cross plan noted above, highlighted by Alliant for its “affordability,” doesn’t allow spouses or children. Alliant also highlighted the perceived benefit of informing drivers about a public health-care program for children age 19 and under.

The HMO-style plan, funded by California taxpayers and known as Healthy Families, is available exclusively to lower-income residents, which Alliant believed fit the description of many port truckers.

Alliant researcher Mark Menzia said options are limited because health insurance companies are reluctant to cover the self-employed or anyone with a history of illness.

“That’s the plight of health care in America today and we hear the stories ... about insurance companies being very selective as to who they’ll accept under these individual plans,” Menzia said.

Menzia also noted that cheaper group rates are not available because contract drivers aren’t legally classified as employees of motor carriers.

“In this case, because of the lack of an employer-employee relationship, providers are very hesitant to underwrite that kind of risk,” Menzia said.

Harbor Commission President Mario Cordero said the report highlights the hurdles drivers face in moving off the public health-care system. “It seems to me that this study ended up confirming that it’s going to very, very difficult under the present circumstances for people to (obtain) insurance on their own,” Cordero said.