

Oregon newspaper chain will no longer provide health insurance to employees

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By: Jim Romenesko

<http://jimromenesko.com/2013/11/26/oregon-newspaper-will-no-longer-provide-health-insurance-to-employees/>

[Bend \(OR\) Bulletin](#) parent [Western Communications](#) told employees Monday that it can no longer afford to provide health benefits and that the company-sponsored insurance plan will end on January 1. (Western owns six papers in Oregon and two in California. The 28,000-circulation Bulletin is its flagship paper.)

The Bulletin
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“This decision was not made lightly,” publisher Gordon Black writes in a memo. “We considered and researched every conceivable alternative. We found nothing was fair or affordable. ...We would not be doing this if it wasn’t absolutely essential for the well-being of the company and by extension, you as an employee.” (The company has 280 employees on the insurance plan.)

A Bulletin staffer tells me: “Everyone knew that health insurance was going to be changing, and probably not for the better. But I don’t think anyone really thought that scrapping health insurance entirely was going to happen.”

Update: Publisher Black tells me “the alternative is a hell of a lot of bodies” being laid off, “and we’ve tried to maintain the workforce.” He adds: “We believe if we don’t create the content, we start the death spiral.”

The family-owned chain is making some money, says Black, but just “eeking by.”

Read Gordon Black’s memo after the jump.

TO: WesCom Employees
FR: Gordon Black
RE: Health Insurance



Gordon Black

2013 has been another expensive year for WesCom with regard to health care costs. As you know, we are self-insured. That means that the company pays all medical costs for employees and their families, over and above the portion paid by the employee.

In a still struggling economy, and today's changing world of health care, we can no longer provide that benefit. That means, effective January 1, 2014 our company-sponsored plan will cease. This decision was not made lightly. We considered and researched every conceivable alternative. We found nothing was fair or affordable. We determined that we could not be competitive with the various plans offered by Cover Oregon or Cover California. And if we offered a plan, employees would not be eligible to take advantage of the federal subsidies offered through these state exchanges.

It's important to know that through Cover Oregon and Cover California financial subsidies are available to help many pay for their insurance. For example, a family of four making less than \$94,200 may be eligible for financial assistance, as may a family of three making less than \$78,120, or single individual making less than \$45,960. Frankly, if your household income exceeds these limits you're probably better off buying a policy outside of the state exchange.

Fortunately, other options are available in the marketplace in addition to CoverOregon or Cover California. we have engaged insurance experts to help each of us through this process and we are committed to doing everything we can to make this transition as smooth as possible. There will be no administrative cost for this assistance. As soon as the details are finalized, you will get a schedule of available times when you can meet with a professional to walk you through the process.

On a more positive note, it appears that we will again be able to participate in Oregon's Work Share program in 2014. That additional benefit, combined with a possible federal subsidy and the money you are already spending for coverage should ensure a manageable transition. We are also working to maintain the flex plan option to pay for out-of-pocket medical, dental and child care expenses with pre-tax dollars.

And finally, let me reiterate something very important. We would not be doing this if it wasn't absolutely essential for the well-being of the company and by extension, you as an employee. We remain committed to the success of Western Communications, its mission and its employees.