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Retirees can sue Livermore lab over health care

Bob Egelko

Updated 5:00 pm, Wednesday, January 2, 2013

A state appeals court has revived a lawsuit by retired employees of the [University of California's Lawrence Livermore National Laboratory](#) over UC's decision in 2008 to switch their health insurance to a private plan that covered less and cost more.

The four retirees presented evidence that the university had promised them lifetime health coverage and can try to prove that the shift to a lesser plan was a breach of contract, the First District Court of San Francisco ruled Monday. The court reversed an Alameda County judge's decision to dismiss the suit.

Although they have not filed a class-action suit on behalf of all retired lab employees, [Dov Grunschlag](#), a lawyer for the four retirees, predicted that their case would lead to reinstatement of all Livermore retirees' UC health coverage.

The ruling "reaffirms that California law will protect the right of people who worked for public entities for many years to continue receiving the health coverage that was promised to them once they retired," Grunschlag said.

The university said it remains hopeful of winning when the case goes to trial.

The plaintiffs worked at Livermore for decades and had retired before 2007, when UC transferred management of the lab to a partnership called [Lawrence Livermore National Security](#), which includes the university and private companies.

UC then terminated the retirees' government-sponsored health insurance and assured them that they would receive equivalent coverage from the new managers. But the court said the new plan is inferior and more expensive. [Superior Court Judge Frank Roesch](#) dismissed the suit in May 2011, saying it was unclear that the university had ever promised the employees lifetime coverage - and that even if such a promise was made, it was not legally binding.

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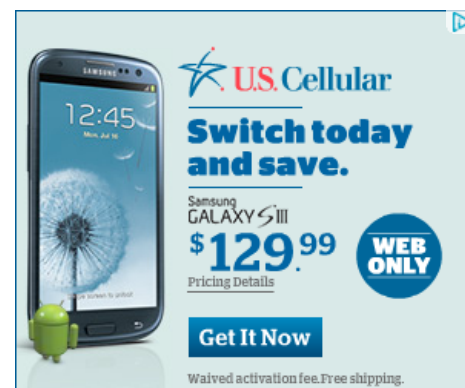
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But later last year, the state [Supreme Court](#) ruled in an Orange County case that public employees could rely on a government agency's express or implied promise of future health benefits.

In this case, the appeals court cited such statements as an assurance in a 1979 UC retirement system handbook that employees with five years of service have "a non-forfeitable (vested) right to a retirement benefit" including university contributions.

A number of UC publications "contain language that could be read as implying a commitment to provide these benefits throughout retirement," said [Presiding Justice Barbara Jones](#) in the 3-0 ruling.

The ruling can be viewed at www.courts.ca.gov/opinions/nonpub/A132778.PDF.

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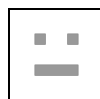
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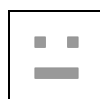


hooter96158 7:46 AM on January 3, 2013

Who was the UC knucklehead who made these unsustainable promises?

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holtzmorris 10:37 PM on January 2, 2013

I have the paperwork that explicitly promised the health insurance. Although I did not retire from LLNL, I used to work there. Remember that a lot of the workers there worked for years for substantially below market rates in highly technical positions with carcinogenic and other hazardous materials that killed whole cohorts. Those long term exposures are why the health insurance is so incredibly important.

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bangon 12:32 PM on January 3, 2013

Hold them to their promises.

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