




COUNCIL MEMBER GALE BREWER Release

   @galeabrewer

DISTRICT OFFICE: 563 Columbus Ave., NY, NY 10024 (212) 873-0282
LEGISLATIVE OFFICE: 250 Broadway, Suite 1875, NY, NY 10007 (212) 788-6975

December 19, 2022

Contact

Sam Goldsmith
sgoldsmith@council.nyc.gov
929-502-5640

Statement from Council Member Gale A. Brewer on Medicare Advantage

An arbitrator's non-binding report on December 15, 2022 recommended that New York City switch over 250,000 retired city workers and their dependents to the privatized health insurance plan known as Medicare Advantage. This has been a long-sought goal under both the Adams and de Blasio administrations, according to [The City](#) and other published reports. I have been an early supporter of the city retirees who are concerned about maintaining their current health providers and not having insurance companies be gatekeepers. Medicare advantage plans give private insurance companies the power to overrule primary care physicians – and to say which procedures will be permitted. Many retirees have health care issues and work very hard to stay healthy. Keeping their current insurance plan, called Senior Care, is critical in retaining access to their doctors and ensuring continuity of care.

The City administration and the municipal union leadership – the Municipal Labor Committee (“MLC”) and especially the UFT and DC37 – are concerned about the \$600 million per year that the current plan is costing the City. They feel that this expense is not sustainable in the future and want to tap federal funds through a switch to the privately administered Medicare Advantage plan. To force retirees into Medicare Advantage, the City and the MLC have been pushing the City Council to change the law that guarantees health insurance to municipal employees, retirees, and their dependents. Up to this point, no one on the City Council has introduced a bill to change the code (12-126). I have urged the two sides to meet as there are compromises that are a win-win for everyone.

The NYC Organization of Public Service Retirees won a Manhattan Supreme Court ruling that found the City's attempt to force retirees to pay a \$191 per month fee to keep their Senior Care plan was illegal. An Appellate Court unanimously sustained the retirees' victory and said that Administrative code 12-126 requires that the City pay for employees' and retirees' health insurance up to a defined dollar cap. That cap is currently about \$800 per person per month; and the Senior Care plan costs only \$191 per person per month.

The unions and the City want the City Council to change the administrative code to eliminate the cap – just for seniors. That would force retirees into a Medicare Advantage plan that would cost the City nothing. The arbitrator's recommendation further suggested that if the City Council didn't change Administrative Code 12-126 within 25 days, the City would simply kill Senior Care. Either course would have the same impact on retirees: they would no longer get Senior Care from the City, would no longer be guaranteed access to their doctors, and would have to endure dangerous prior authorization protocols imposed by a private insurance company (there are no such prior authorization hurdles under traditional Medicare or Senior Care).

The City and the MLC are currently negotiating with Aetna, the private insurance carrier, to create a new Medicare Advantage plan for municipal retirees. The City has offered various Medicare Advantage plans for years, but few retirees choose them because they are demonstrably worse than Senior Care. Perhaps a better Medicare Advantage plan from Aetna would attract more retirees. But one thing is clear: if the City tries to force retirees into Medicare Advantage by killing Senior Care, the NYC Organization of Public Service Retirees will go back to court. And it is very likely they will win again. The retirees were promised Senior Care, and a promise is a promise.

No one is against finding healthcare savings. The retirees have pinpointed more than \$300 million in annual recurring savings; and have identified a way for the City to tap hundreds of millions of dollars in federal funds – without the dangers of prior authorization. All sides should sit down together and work this out.

###