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Council will take up Medicare matter

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Proposed amendment would allow the city to charge retirees for health coverage



(<https://zeta.creativecirclecdn.com/chief/original/20230103-144437-phpg65R3b.jpg>)

Council Speaker Adrienne Adams and the rest of the Council are likely to vote Jan. 19 on a change in the administrative code that would permit the city to charge municipal retirees for supplemental health coverage. The amendment would signal a sea change in how health care is administered.

WILLIAM ALATRISTE/THE CITY COUNCIL

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BY RICHARD KHAVKINE

After months of inaction and despite pronounced opposition from retired municipal workers, the City Council appears poised to consider changing the city's administrative code to permit the city to charge the retirees for a portion of their health coverage.

The Council's Civil Service and Labor Committee is scheduled to hold a hearing Jan. 9 on a proposed amendment to the city's administrative code that would cap the city's allocation for a benchmark plan

(<https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=5982439&GUID=37E949CB-EE49-4A08-88F5-DC10512F6E77&Options=&Search=>), a Medicare Advantage plan that will be administered by managed-care company Aetna.

The change to the code would essentially allow the city to bill retirees the difference between that plan, which the city is scheduled to implement in July, and any plan that costs more, in this case the retirees' preferred supplemental plan GHI Senior Care.

The full Council could take up the matter at its Jan. 19 meeting.

The amendment would effectively circumvent a March conclusion by a Manhattan Supreme Court justice who found that a planned switch of the current traditional Medicare plan to a cost-saving Medicare Advantage plan was illegal since it would have obliged retirees who opted to keep their Senior Care plan to pay for it, which would run against the city code. City officials have said the coverage would cost retirees an additional \$191 each month.

The hearing, quietly scheduled before the New Year's weekend, followed findings, issued Dec. 15, by the chairperson of a committee tasked with addressing the delivery of health care to municipal workers and retirees (<https://www1.nyc.gov/assets/olr/downloads/pdf/collectivebargaining/health-benefits-agreement-fiscal-years-2019-2021.pdf>). Martin Scheinman concluded that increased financial deficits attributable to some aspects of the traditional Medicare plan required a switch from traditional Medicare to a plan overseen by Aetna.

The Council's deliberations on the matter follow a request, made months ago, by the Adams administration and subsequent November deadlines (<https://thechiefleader.com/stories/council-considering-controversial-health-care-amendment,49255?>) set by the city's labor commissioner, Renee Campion. City officials have said that the current Medicare plan is costing the city \$50 million a month and they have estimated the switch, which would affect about 250,000 retired workers, would save the city

\$600 million a year through the receipt of federal subsidies. The savings would help replenish the city's Health Stabilization Fund, which supplements employee welfare funds.

Scheinman gave the City Council 45 calendar days to amend the administrative code to allow for the city to bill retirees. Should they fail to do so, he wrote that plan would "no longer be an offering." That deadline falls on Jan. 29, a Sunday.

In a joint statement issued Tuesday, Speaker Adrienne Adams and Council Member Carmen De La Rosa, the chair of the Civil Service and Labor Committee, said the Council was taking up the matter "to preserve retirees' choice of health insurance rather than have them automatically enrolled in Medicare Advantage as the sole plan on January 29."

"While many of the underlying problems that created this situation require comprehensive solutions from all levels of government, the City must confront this dilemma to the maximum extent possible within its own authority. This must include support for low-income retirees to truly access choice in their healthcare coverage, reigning in the runaway costs of care that created this crisis, and guaranteeing an insurance program that benefits all of our dedicated public servants," the statement continued. "We are working to examine the major outstanding questions, the details of the Medicare Advantage plan that is moving forward regardless of any potential Council action, and how the City fulfills its health care commitments to all employees and retirees."

'Scare tactics'

The planned switch to the private plan has stuttered since it surfaced in the spring of 2021, dogged in large part by widespread discontent by retirees and, subsequently, their litigation.

Scheinman remanded negotiations on the Medicare Advantage plan to the city and the Municipal Labor Committee, the umbrella organization of public-sector unions, instructing them to reach agreement with Aetna on its plan by Jan. 9

(<https://www.uft.org/sites/default/files/attachments/Dec15-healthcare->