

‘ADVANTAGE’? NO WAY! City retirees furious at new Adams push to modify health plan

BY CHRIS SOMMERFELDT - NEW YORK DAILY NEWS - SEPT. 12, 2022

Mayor Adams’ administration is leaning on the City Council to amend a local law as part of a long-running effort to shift thousands of retired municipal workers into a controversial, cost-cutting Medicare plan — infuriating retirees who maintain that such a switch would wreck their health coverage.

The administration’s push to enroll the city’s roughly 250,000 eligible retirees in a so-called Medicare Advantage Plan was scuttled in March, when Manhattan Supreme Court Justice Lyle Frank struck it down as unlawful. The plan had proposed to slap a \$191 monthly penalty on retirees who opted to keep their traditional Medicare instead of enrolling in the Advantage plan — and Frank ruled the financial levy violated an administrative law that bars the city from charging its retired workers for health insurance.

In a bid to circumvent Frank’s decision, the Adams administration last week authorized the issuance of a formal request for the Council to rewrite the law in question so it would become legal for the city to apply monetary penalties on retirees who don’t get onboard with its preferred health plan, mayoral spokesman Jonah Allon confirmed.

The administration got backing from the Municipal Labor Committee, an umbrella group for the city’s largest unions, which voted Thursday to throw its weight behind the request to the Council, according to Harry Nespoli, the committee’s chairman.

Marianne Pizzitola, a retired FDNY emergency medical specialist who leads the NYC Organization of Public Service Retirees, said her group remains convinced that the Advantage plan is inferior to their current coverage. She said the latest Advantage push from Adams and the unions is “a slap in the face.”

“It’s a betrayal,” said Pizzitola, whose group’s lawsuit prompted Frank’s ruling in March. “My phone has been going off the hook from retirees asking, ‘What the hell is going on?’ The city made a promise to us that they would have our backs with free health care — that’s why many of us came to work here and stayed for 20, 30 years. How do you take that away from us when we’re gone? Why would anyone want to come and work for them if they’re going to harm us when we retire?”

City Council Speaker Adrienne Adams (D-Queens) would not comment on the merits of the request from the mayor and the Municipal Labor Committee, but a spokesman for her said the Council “wants to be helpful in resolving this issue.”

The joint request from Adams and labor will likely have to go through several committees, where it could face stiff opposition, said a Council member with close ties to the city's unions.

"I think City Hall is dreaming if they think they can just slip this through," the member told the Daily News, speaking on condition of anonymity for fear of angering the mayor.

Since former Mayor Bill de Blasio's administration first tried to implement the Advantage plan in the fall of 2021, Pizzitola's group has contended that it would drastically dilute health coverage for retirees by instituting preauthorization requirements for a slew of medical procedures and services.

They've pointed to an April study from the U.S. Health and Human Services Department that found Advantage plans — which, unlike traditional Medicare, are administered by private health insurance providers — can "prevent or delay beneficiaries from receiving medically necessary care."

Amid those concerns, nearly 66,000 retired city employees, ranging from cops and firefighters to teachers and sanitation workers, had opted out of the Advantage plan as of July in order to stay on their current coverage, according to city data.

But Adams administration officials, joined by municipal labor union brass, have dismissed the complaints from retirees as overblown, arguing the Advantage model would provide the requisite care.

In addition, Adams and the unions have stressed that the Advantage plan — thanks in part to its private administration — would save the city upward of \$600 million a year. At a time when projections show the city could be facing a \$9.9 billion municipal government budget gap by 2026, such savings are critical, even if it involves convincing the Council to change a law, said Allon, the mayoral spokesman.

"As Mayor Adams has repeatedly stated, he believes a Medicare Advantage Plan is in the best interest of retirees and taxpayers," Allon said. "We will continue to work with the Municipal Labor Committee to take all steps to ensure such a plan can be implemented."

Under the framework envisioned by Adams and the unions, Advantage plan savings would largely be funneled into the city's Health Stabilization Fund, which is used to supplement dental and prescription drug benefits for municipal workers.

Due to years of skyrocketing health care costs and other factors, Nespoli, the Municipal Labor Committee chairman, said the stabilization fund is in such dire financial straits that it could be at risk of total collapse unless the Advantage savings roll in.

"Without those savings, there's going to be a problem, there's going to be a big, big problem for our members," Nespoli said. "I don't think that the retirees actually understand that."

Steve Cohen, an attorney who represents the NYC Organization of Public Service Retirees, said Nespoli's argument doesn't paint a complete picture.

Part of the reason the stabilization fund is running dry is because the de Blasio administration used cash from it to bankroll raises for teachers, Cohen said. "Why should retirees be left to pick up the tab for that?" he asked.

Cohen also said Adams' push for an amendment of the law could have unforeseen consequences beyond Medicare Advantage.

"It opens up a whole new can of worms because that law is the clearest protection for city workers [to get free health care]," he said. "Without that law, the city could basically take away health care at any time."

Marcia Biederman, a former city public school teacher who opted out of Advantage, said she was ecstatic when the Manhattan Supreme Court struck down the Adams administration's first attempt at implementing the plan, believing that spelled the end of the matter.

"But it turns out our celebration was premature because now they're trying this," Biederman said. "This really would affect our lives in a very negative way. The City Council has got to go against this."