



Health insurance alert!

Municipal workers may have to pay for it if plan for retirees KOs

BY CHRIS SOMMERFELDT
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Mayor Adams' administration is considering slapping health insurance premiums on active municipal employees if its controversial effort to shift the city's retired workforce into a privatized Medicare plan falls apart, the Daily News has learned.

Saddling city workers with premiums would break with decades of local government precedent. Nonetheless, Adams' team has floated it as a last resort in negotiations with the Municipal Labor Committee on the Medicare Advantage Plan the team has long tried to enroll retired city workers in for cost-saving reasons, according to Michael Mulgrew, president of the United Federation of Teachers and a top member of the labor panel.

"It would be an extraordinary shift, and something we have to avoid," said Mulgrew, who sent a letter to his members over the weekend warning them that the administration has raised the specter of charging city workers \$1,500 annual premiums.

According to an internal health plan memo obtained by The

News, the \$1,500-per-worker fee would make up for the \$600 million in annual savings the Adams administration says the city would lose out on if the Advantage plan is not adopted.

An Advantage plan could secure such savings because, unlike traditional Medicare, it would be administered by a private provider, and Adams has said the city needs the cash to hedge against a looming budget deficit. But a group of retired city workers managed to block the Advantage plan in court this spring after arguing it would dilute their health coverage.

The municipal workforce consists of about 300,000 active members and 250,000 retirees. Both groups have been guaranteed premium-free health care since the early 1980s.

Despite court setbacks, the Adams administration is pursuing two pathways for shifting retirees into an Advantage plan, one of which relies on action from the City Council and one from support from the Municipal Labor Committee. If both efforts fail, the administration has told the labor panel, which serves as an umbrella group for the city's various



municipal unions, it may adopt premium-based plans for active workers to ensure budget savings, Mulgrew said.

Adams spokesman Jonah Allon would not comment on specific contingencies under consideration, but said, "The city will need to achieve the necessary savings through other measures that will impact both active employees and retirees" if the two-tiered Advantage push fails.

The first plank of the administration's last-ditch Advantage bid asks the Council to amend a city law known as 12-126.

The reason is that a Manhattan

Mayor Adams faces heat (main) as he tries to shift retirees into privatized health plan, and now eyes slapping \$1,500 premiums on active workers if that move fails, says labor leader Michael Mulgrew (below).

Supreme Court justice ruled in March that the city's original Advantage plan violated 12-126 by proposing to fine retirees \$191 a month if they want to stay on traditional Medicare. By amending 12-126, Adams' team has argued, Advantage could proceed because the fine would no longer be illegal.

But as previously reported by The News, there is little appetite in the Council to make such an amendment. A Council source said Monday there's still no member willing to even introduce a bill on the matter.

As a result, Renee Campion, Adams' labor relations

commissioner, told the Municipal Labor Committee over the weekend that if the Council doesn't act on 12-126 by Friday, the administration will ask an arbitrator to eliminate all retiree health plans except for Advantage. Campion argued such a move would comply with the Manhattan Supreme Court ruling as there would be no financial penalty to speak of, as traditional Medicare would not even be an option.

"We must move forward with the [Advantage] plan in any way that we can," Campion wrote in a letter to Municipal Labor Committee brass, adding that the city is missing out on \$50 million in savings for every month without Advantage.

The Municipal Labor Committee won't go along with scrapping all retiree plans except for Advantage, though, and could likely block such an action, Mulgrew said. That leaves the threat of implementing a premium-based plan for active workers while letting retiree benefits stay largely intact.

"Both alternatives are unacceptable," Mulgrew wrote in his weekend letter to members. "We will not allow the city to divide retirees and in-service members."