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UNIONS

Teachers Buck Mulgrew, Petition for Referendum Vote On Medicare Advantage

UFT president feels pressure from members who demand a union-wide vote on the retiree health care cost savings plan he's championing.

BY CLAUDIA IRIZARRY APONTE | CIRIZARRY@THECITY.NYC | MAR 21, 2023, 5:00AM EDT







REPUBLISH



United Federation of Teachers President Michael Mulgrew in 2021. | Ben Fractenberg/THE CITY

Retired city workers fighting a <u>planned shift</u> to a cost-cutting Medicare Advantage health care plan have new allies: current city teachers and other public school employees who are bucking their own union president, Michael Mulgrew.

On Sunday, opposition groups within the United Federation of Teachers, including teachers currently on the city's payroll, came together to launch a petition to force a referendum vote on any changes to health care plans for retirees or any union members.

It's the first time current city workers are challenging union leadership over the controversial switch to a privately run Medicare Advantage plan, which is slated to be managed by Aetna. Mulgrew played a key role in negotiating the health plan change and is now facing a member revolt.



The petition also tees up a battle over a change in the works for current employees' health care, which will replace the insurer GHI with a new provider yet to be named.

"We call for a membership-wide vote for any significant changes to active and/or retired members' healthcare. These include any significant changes of our healthcare carriers, limits to our choice of healthcare carriers, or institutions of or raises to premiums, deductibles or copayments, etc.," reads the <u>petition</u> by UFT activist group Educators of NYC.

"UFT members must be provided full disclosure of the wording for such proposed changes, prior to the membership wide vote."

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The petitioners would have to gather around 19,000 signatures – or 10% of members, including retirees – in order to trigger the referendum vote, according to the union's constitution.

The UFT, the city's second-largest municipal union, is in the midst of bargaining with the administration of Mayor Eric Adams over terms of its contracts.

Last month Adams reached <u>a five-year deal</u> with District Council 37, the city's largest union, that includes a proposed 16.21% raise retroactive to May 2021, when the current deal expired, along with a one-time \$3,000 bonus. As the city's largest union, the deal with DC37 sets the pattern that other public-sector unions with pending contracts, including the UFT, must follow.

Mulgrew was the key vote within the Municipal Labor Committee, the consortium of public-sector unions, to <u>approve</u> the controversial Medicare Advantage plan earlier this month. City retirees, former public school employees among them, have indicated that they intend to sue to block the deal.



"The UFT is a representative democracy. UFT members, both active and retired, elect UFT leadership, who in turn are part of the city Municipal Labor Committee," said UFT spokesperson Alison Gendar in a statement. "The MLC is the entity that negotiates healthcare for active and retired city employees."

'Illogical and Duplicitous'

The retiree health care switch was first brokered in deals beginning in 2014 between major municipal workers' unions and former Mayor Bill de Blasio, agreeing to fund raises through health care savings. The shift to Medicare Advantage is expected to save city taxpayers \$600 million a year.

Retirees have expressed concerns that coverage may fall short of the care they have been accustomed to under their current Medicare with Medigap plan. A <u>federal investigation</u> last year determined that Medicare Advantage plans often deny needed care that is supposed to be covered.

Advantage plans have been found to submit inflated bills that over-diagnose their patients, a practice known as "upcharging" that federal auditors said crossed the line into <u>fraud</u>. The number of large employers that offer Medicare Advantage plans to retirees has doubled since 2017, the New York Times reported.

Groups representing retired city workers <u>sued</u> in an attempt to stop the switch, leading a judge to bar the city from charging a proposed \$191 monthly premium to retirees who sought to stay on their existing Medicare plan. The City Council has since <u>declined</u> to pick up a bill pressed by Mayor Eric Adams that would have allowed retirees to keep their existing care for a fee.

As city employees impatiently waited for raises this winter, the Municipal Labor Committee quietly renewed talks with Aetna, aiming to broker a Medicare Advantage deal with the private insurer.

Mulgrew is also a chair of the MLC, the consortium of 102 public-sector unions that votes on key decisions affecting city government workers. Due to the committee's weighted-voting structure, where each union gets one vote per 250



One teacher and union opposition organizer was steamed when Mulgrew boasted in a Feb. 28 interview with <u>Gotham Gazette's Max Politics podcast</u> that he would make no further health care concessions in a new contract — but meanwhile continues to advocate for a health plan switch, whose effects will be felt far into the future.

"For Mulgrew to say that savings are not mandatory and then to plow ahead with a very controversial Medicare Advantage plan that we all know is predicated on mandatory savings, and sold as so, is illogical and duplicitous," Daniel Alicea, a public school teacher and lead organizer of Educators of NYC, the activist opposition group of UFT members that published the petition, said at the time.

In a meeting with the union's Retired Teachers Chapter healthcare committee on March 2, Mulgrew underscored his and the union's role in championing the health-care switch.

"First and foremost, our union has taken the lead now in terms of the negotiation with Aetna, and you guys are directing us on the issues," he said in an audio recording of that March 2 meeting obtained by THE CITY.

At a follow-up meeting with the UFT retiree chapter on March 6, members led a chant of "Let us vote," according to several people who attended the meeting.

Gendar, the UFT spokesperson, defended the health care switch in a statement to THE CITY.

"As part of the MLC, the UFT played a major role in negotiating with Aetna to create a unique Medicare Advantage program designed to meet our retirees' needs for a high-quality, premium-free health plan," she said. "The unions, particularly the UFT, demanded and won ongoing oversight to ensure Aetna fulfills its responsibilities. The unions will be aggressive in seeing that retirees' needs are met."

'Vote No' Campaign



their ballots before the end of the month. They are widely expected to approve the deal.

The UFT is expected to reach a deal next, and is already in the midst of bargaining with City Hall.

Rank and file United Federation of Teachers members are having conversations about launching a "vote no" campaign on a pending tentative contract agreement in protest of the Medicare Advantage switch, <u>THE CITY reported</u> this month.

Those conversations are limited to non-retirees, who can vote on labor deals, which retirees cannot.

Meanwhile conversations about the Medicare Advantage plan continue. On Monday, Aetna hosted a "mock retiree meeting" for union officials so that fund directors and others "can become familiar with the approach to be taken at upcoming retiree information sessions," according to a March 9 memo in Municipal Labor Committee letterhead obtained by THE CITY. Representatives from City Hall will also attend, the memo, sent by Nespoli, noted.

And on Tuesday, the Office of Labor Relations will host a phone-in only public contract hearing about the Aetna proposal.

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