

Mayor Adams kills Medicare Advantage option that'd let NYC retirees stay on traditional coverage: 'We do not intend to offer this'

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As his administration moves ahead with shifting retired city workers into a controversial Medicare Advantage plan, Mayor Adams will not authorize an implementation structure that would've given retirees the option to stay on traditional Medicare at no extra cost, a spokesman for the mayor said Wednesday.

The rejection came one day after the Daily News reported that [a large segment of the city government's 250,000 retirees have pleaded with Adams](#) to pick the alternative implementation framework, known as "Option C," because they're concerned their benefits would be wrecked if they're enrolled in Advantage.

Adams spokesman Charles Lutvak said it wouldn't make sense for the mayor to choose Option C, though, because it would undermine the justification for moving retirees off of traditional Medicare coverage in the first place: Budget savings.

"That approach would result in minimal savings, and undermine the city's ability to continue providing high-quality, premium-free care to active employees and retirees," Lutvak said of Option C. "As a result, we do not intend to offer this option to active employees or retirees."



Mayor Eric Adams is pictured during press conference in Lower Manhattan on March 15. (Luiz C. Ribeiro/for New York Daily News)

The push for putting retirees on an Advantage plan [started in the fall of 2021](#) under former Mayor Bill de Blasio.

Like de Blasio, Adams has argued it's necessary to make the switch because the city projects it can save some \$600 million annually if retirees are on Advantage coverage as opposed to traditional Medicare. Adams has also promised Advantage would ensure robust coverage for retirees.

Thousands of retirees have countered they'd lose access to certain doctors, medical procedures and drugs under Advantage. They have pointed to [federal studies](#) showing that Advantage plans deny "medically necessary" care because, unlike traditional Medicare, they're administered by private insurance providers who require preauthorization for some patients.

In response to lawsuits from a grassroots retiree group, [courts blocked Adams' administration](#) from enacting the first iteration of its Advantage plan last year, ruling that a provision in it that would've levied \$191 monthly premiums on retirees who wanted to stay on traditional Medicare violated a local law.

To circumvent that, Adams, with support from the city's public sector union bosses, [came to an agreement](#) with health insurance giant Aetna this month that makes Advantage the only premium-free health care option available to the city's required workforce, with a Sept. 1 start date. They've maintained that deal is in compliance with the court decisions.



New York Municipal retirees protest in lower Manhattan, on Thursday, March 9, 2023. (Barry Willilams/for New York Daily News)

Against that backdrop, anti-Advantage retirees saw [a glimmer of hope in Option C](#), which was tucked into Aetna’s newly released Advantage contract as one of three implementation paths Adams could choose between. Dozens of retirees urged the mayor to select Option C during [a public hearing](#) on the contract Tuesday.

While retirees could stay on traditional Medicare under Option C without increased cost to them, Adams’ administration would have to pay \$20 per month for every member who made that choice, the contract states. The two other implementation frameworks, “Option A” and “Option B,” would make Advantage the only premium-free insurance available to retirees, though the B version would let retirees enroll in traditional Medicare if they pay for it themselves.

Lutvak would not say which option Adams is more inclined to pick between A and B, or why C was included in the contract if it hasn’t been under consideration. He also would not say how much the projected city budget savings would shrink under Option C.

Lutvak did reiterate that the only scenario under which the administration would be inclined to offer traditional Medicare — a setup that features a city-subsidized supplement known as Senior Care — is if retirees pay a premium for it.

“We support offering retirees the choice to remain in Senior Care while paying a monthly premium, but without the City Council action we have advocated for, we will move forward with eliminating Senior Care,” Lutvak said, referencing legislation that the administration [unsuccessfully pitched the Council on last year](#).



Pres. AFSCME DC37 Michelle Keller, at left in red, rallies a group of municipal employees and retirees in Lower Manhattan, on Thursday, March 9, 2023. (Barry Willilams/for New York Daily News)

Marianne Pizzitola, a retired FDNY EMT who leads the NYC Organization of Public Service Retirees, speculated Adams’ administration included Option C in the contract as a contingency in the event that the new Advantage plan is blocked in court.

“To date the mayor has never spoken with us, but if he had, I think he would tell me that he knew he was going to lose the next court battle and he had to put Option C in the contract to preserve doing business with Aetna,” said Pizzitola, whose group [toppled the first Advantage plan in court last year](#) and has indicated it will sue over the new plan, too. “This has always been about maximizing savings for the city and screwing retirees at the same time.”