

The Facts Michael Mulgrew, UFT, Doesn't Want You to Know

1. **UFT Claim:** Mulgrew stated they did not borrow from the Stabilization Fund causing our current health care crisis.

Truth: The Stabilization Fund has been improperly used. It's been used as a piggy bank to offset City expenses which had not been budgeted. Two examples: in 2009, an ongoing, annual payment of \$112M was agreed to, primarily to reduce layoffs. In 2014, a one-time \$1 billion payment was made to NYC from the Stabilization Fund to largely pay for UFT raises.

2. **UFT Claim:** The UFT "fact sheet" claims that the City is spending \$11.8 billion in FY 2023 on health care expenses.

Truth: Facts matter: the City's adopted budget shows healthcare expenses of \$7.8 billion. We are not trying to hide the fact that healthcare is expensive, and no one is against trying to find savings. But we need to start with accurate numbers.

3. **UFT Claim:** "Mulgrew stated "...not a single health care benefit was either lost or diminished during that three-year period as a result of these cost-saving measures."

Truth: Benefit changes including deductibles, copays and increased prior authorizations were added to the plan. These are diminished benefits. This year they are removing Montefiore from the preferred network adding co-pays, and narrowing the network for imaging and urgent care. All new City hires are automatically forced into the HIP HMO. That may be a prudent way for the City to save on health insurance costs, but it is a diminution of benefits.

4. **UFT Claim:** Mulgrew stated Medicare Advantage (MA) offers the same benefits as Traditional Medicare.

Truth: Medicare Advantage is nothing like traditional Medicare, while the same medical conditions are covered, Medicare Advantage has two main differences: far fewer doctors participate in Medicare Advantage plans; and doctors and their patients have to endure the bureaucratic hurdles – and proven dangers – of prior authorization. Placing a private insurance company – making medical decisions – between the doctor and her patient is a fundamental difference.

5. **UFT Claim:** Mulgrew states his "custom" MA plan is the only PPO MA plan.

Truth: There are lots of PPO Medicare Advantage plans offered by many different insurance companies. Period.

6. **UFT Claim:** Mulgrew says, "The New York City Medicare Advantage Plus Plan, negotiated by the MLC, was a totally new, unprecedented version of Medicare Advantage that was ONLY for New York City municipal retirees and their families."

Truth: It is not a unique plan and it is not even a particularly good Medicare Advantage plan. The only true parts of the statement is that it was negotiated by the MLC; and it was “only for New York City municipal retirees and their families.” DUH.: the MLC is not about to negotiate on behalf of teachers in Dubuque.

7. **UFT Claim:** Mulgrew says, “This new plan negotiated by the MLC and the city was, in fact, a Medicare program. We were able to access federal funding because it is a public program.”

Truth: Medicare Advantage is a public-private partnership: Federal money that goes to a private insurance company. By forcing people out of their traditional Medicare-and-Supplemental insurance program that retirees have enjoyed and relied upon for more than 50 years, the City was attempting to relieve itself of the cost and shifting it to the Federal government. But you get what you pay for: Medicare Advantage is a fundamentally inferior program compared to traditional Medicare. It is nothing more than a budgetary gimmick on the backs of retirees.

8. **UFT Claim:** Mulgrew says, “The new plan was a custom, large-group version of Medicare Advantage developed for New York City municipal employees only. It was modeled after GHI SeniorCare and was filled with features that made it the same or better than current GHI SeniorCare but at lower cost to the city.”

Truth: The new Medicare Advantage plan is nothing – absolutely nothing – like traditional Medicare plus SeniorCare. Traditional Medicare does not have prior authorization restrictions; the proposed Medicare Advantage plan had over 100 categories of tests and procedures that will limit retirees’ access to health care. Virtually all doctors accept traditional Medicare. Hundreds of New York area doctors said they were not going to accept this plan. And for retirees living outside of the New York area, their access to participating doctors was going to be even more restricted.

9. **UFT Claim:** Mulgrew stated, “A state judge’s recent ruling illuminated an issue with a part of the administrative code (Section 12 -126) that allows for a dangerous interpretation. The judge said the administrative code required the city to only offer premium-free plans.”

Truth: The Court said no such thing. The City and unions argued that should be the interpretation of 12-126, and the Court rejected it. The Court said that if the City included a plan in its range of offerings, the City had to pay up to the defined price cap.

10. **UFT Claim:** Mulgrew said that if the Court accepted the retirees’ (winning) interpretation, such a mandate would eliminate the MLC's and the city's authority to offer multiple health care plans, since the “city and the MLC would be unable to absorb the cost of multiple premium-free plans.”

Truth: That makes no sense. The Court’s order made clear that the City must pay for plans offered by the City up to the statutory cap: the price of the HIP-HMO.

11. **UFT Claim:** Mulgrew stated, “Without this change in code, the city may choose to save costs by offering only one health care option that isn’t up to our standards.”

Truth: In the 1992 Health Agreement, the City is obligated to negotiate all aspects of health care with the MLC. The City cannot get rid of these choices of plans unless the MLC agrees to it. Retirees live all over the country and require plans that include their local doctors and hospitals. One size does not fit all.