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Municipal retirees sue city over Medicare Advantage switch

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Courtesy of DC 37 Retirees Association

Municipal retirees have rallied against the switch to Medicare Advantage since it was proposed

Nine municipal retirees, along with the NYC Organization of Public Service Retirees, have filed a class action lawsuit against the city, Mayor Eric Adams, and the city's Office of Labor Relations and Department of Education over the city's move to switch retirees from supplemental health insurance to [Medicare Advantage plans](#).

The suit alleges that the city has been trying to "escape" its supposed health care obligation to retirees—paying for their coverage in full—by switching them to Advantage plans. City officials have said the Medicare Advantage switch will save the city hundreds of millions of dollars in premiums annually—but retirees argue those savings could in turn jeopardize their health care and financial security.

Lawsuit documents chronicle the last several years of the Medicare Advantage saga between retirees, the city and unions, which seemed to conclude in March, when the city signed an Advantage contract with Aetna that would automatically enroll retirees in the plan unless they opted out.

Now, the plaintiffs allege that this development has caused them irreparable injury; one plaintiff said he is considering purchasing a Medigap supplemental plan on the open market, but can't afford the minimum \$800 monthly premium. Other plaintiffs allege their doctors won't accept the Medicare Advantage plan.

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"Had he known that the City would renege on its health care promise, he would have made very different financial choices in his life," the document reads.

Many city retirees have been financially dependent on receiving free health insurance from the city throughout their retirement, the court filing reads. Now, it says, the insurance they can opt into is inferior to their existing supplemental plans.

According to the documents, the city has promised retirees for the last 50 years that it would provide and pay for a choice of Medicare supplemental insurance, such as the Senior Care plan about 180,000 retirees are currently covered by. The suit argues that the city has thus not followed the procedures required by the New York City Administrative Procedure Act, violated retirees' rights under the state Constitution and common law, and "engaged in an unjust bait and switch."

Furthermore, the documents allege that the petitioners in the case submitted notices of claim to city comptroller Brad Lander and the Department of Education, and neither have taken corrective action after at least 30 days.

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Marianne Pizzitola, the president of the retiree organization, sent a letter to office of labor relations commissioner Renee Campion asking the city to stop the implementation of the switch, the filing says. As of May 26, they have not responded.

The class consists of more than 250,000 Medicare-eligible retired city workers and their dependents. The plaintiffs have asked the court to preliminarily and permanently stop Medicare Advantage automatic enrollment, enforcement of the June 30 opt-out deadline, and implementation of any other aspect of the switch.

Plaintiffs also ask that the court award damages to the class, and demand a jury trial.

The suit was filed this morning. As it stands, municipal retirees are set to be automatically enrolled in Medicare Advantage on Sept. 1.

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