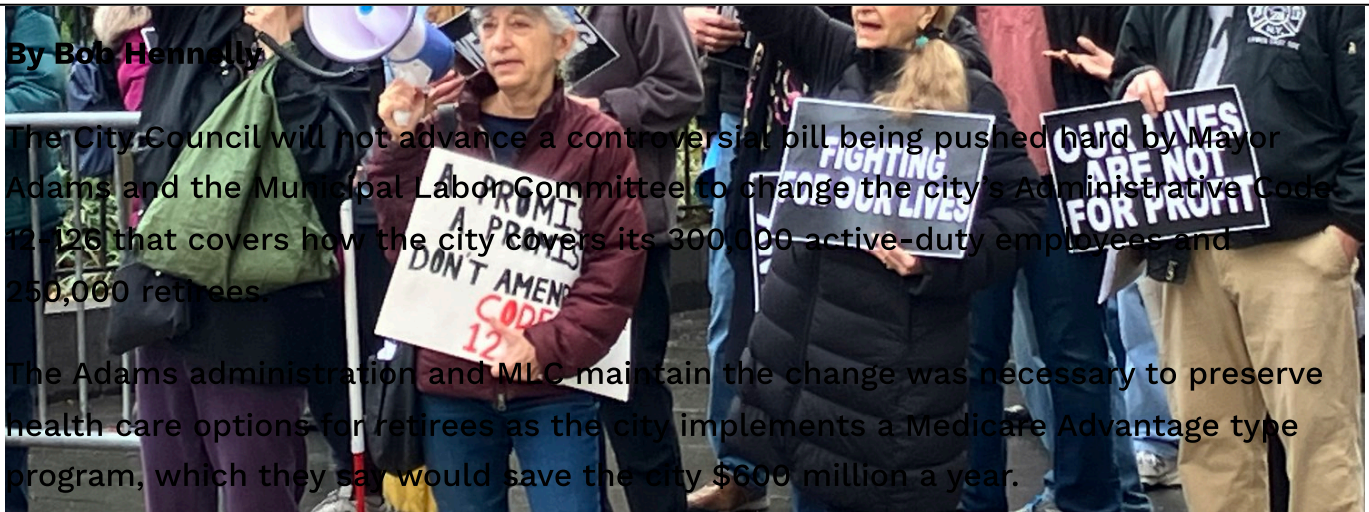


TOP STORY
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‘A Tremendous Victory’: NYC Council Members Refuse to Change Code Safeguarding Retiree Healthcare





By Bob Hennelly

The City Council will not advance a controversial bill being pushed hard by Mayor Adams and the Municipal Labor Committee to change the city's Administrative Code 12-126 that covers how the city covers its 300,000 active-duty employees and 250,000 retirees.

The Adams administration and MLC maintain the change was necessary to preserve health care options for retirees as the city implements a Medicare Advantage type program, which they say would save the city \$600 million a year.

According to the Adams administration, the city spends \$11 billion a year, about 10 percent of the entire city budget on healthcare costs related to active and retired civil servants. Of that, \$600 million was spent on retiree health care coverage in 2021, up from \$200 million in 2000.

The Adams administration's attempt to change how it provides healthcare for its active workforce and retirees comes as it faces serious budget challenges and a long list of expired labor contracts.

The latest turn of events in the City Council is a major win for a grassroots campaign of New York City retired civil servants spearheaded by The NYC Organization of Public Service Retirees. The ad hoc movement opposes the code change and the imposition of a for profit Medicare Advantage plan they assert would limit their access to health care with pre-authorizations.

The Adams administration and the MLC had claimed time was of the essence because its Health Stabilization Fund, created in 1984, used to cover healthcare obligations and help defray premium costs, is running out of money, putting at risk the premium-free health care that active and retired city employees continue to enjoy. Last year, the city said that City retirees could opt to keep their current health coverage by paying a \$191 premium.

Retirees assert that their premium free healthcare was a form of deferred compensation that the city has a moral obligation to continue to pay. The NYC Organization of Public Service Retirees have won two rounds in state court challenging the city's implementation of its healthcare reset.

answers to Council Members' questions.

While the Council Committee's agenda item was the city's Administrative Code — the questions from the Council zeroed in on the Medicare Advantage deal Mayor Adams and the Municipal Labor Committee are currently negotiating with Aetna for city's retirees with a planned summer rollout. Members pressed the administration's experts for more details on the potential five-year Aetna deal but could not get a commitment that they would get to see a draft of the contract.

At the Jan. 19 press conference before the Council's Stated Meeting, City Council Speaker Adrienne Adams (D-Queens) said the hearing had generated "volumes of testimony to review" but that "there are no scheduled next steps" for the bill to change the Administrative Code as requested by Mayor Adams.

Adams added that she felt the Council needed to have access to the proposed Medicare Advantage contract between the city and Aetna.

"There are still so many questions," Adams told reporters. "One of the questions at the hearing was where is the contract? We don't even have a contract to deliberate on as a body. For me, and I am speaking for myself, that was a very important piece of information."

Council Member Carmen De La Rosa (D-Manhattan) chair of the Civil Service and Labor Committee confirmed that the Administrative Code change has been officially "laid aside". She described the retirees' successful organizing efforts as "Herculean" that included "making phone calls, emailing constantly calling and showing up."

"Obviously, there is a looming problem that we will have to deal with as a Council whether it is by legislation or if we deal with it in the budget process—or deal with it if the administration chooses to move on with Medicare Advantage," De La Rosa said during a phone interview.

De La Rosa continued. "The hearing process provides a platform that lends itself to getting clarity and getting to ask questions—that being said there are so many questions and there's real concerns in the Council about the implications of changing the Administrative Code and the Medicare Advantage will have on some very

The Adams administration is still negotiating with Aetna over issues like pre-authorizations, raising serious questions about how real all these so-called deadlines really were.

“It’s a tremendous victory for the organizers, for the retirees that we are not voting on that today—that it was pushed back,” Council Member Charles Barron (D-Brooklyn) said during a city hall interview. “People thought it would be rushed through—thrown down people’s throats.”

Barron said that retirees and their supporters on the Council should “put the pedal to the metal” and press to have the \$600 million needed to cover annual retiree healthcare costs covered in the pending budget to ensure the city kept its commitment of providing premium free healthcare.

“I am hoping the City Council can come up with the \$600 million out of the \$102.7 billion budget presented to us—put that \$600 million in the budget,” Barron said, adding it would amount to less than one percent of the budget. “They put in the labor for us in so many different fields to make life better for us.”

“It is a big victory for municipal retirees,” said Brooklyn Council Member Ari Kagan, who recently left the Democratic caucus for the Republicans. “It is a big victory for everyone in the city. It’s democracy—petitions, email, testimony—they all work. I don’t think the administration and the MLC were prepared for this outcry and blowback and they just didn’t expect the strong opposition.”

“I am not surprised,” Council Member Vickie Paladino (R-Queens) said of the retirees’ victory. “There was too much controversy surrounding it. As also grass root is what matters and grass roots is what works. It keeps people informed—it keeps them active, and it keeps them going because knowledge is power.”

The Adams administration and the MLC’s proposal for Medicare Advantage is an outgrowth of an agreement cut with the de Blasio administration to find billions of dollars in healthcare costs savings as unions settled contracts that Mayor Bloomberg had left unsettled for years. The collaboration between management and the MLC included the creation of a Tripartite Health Insurance Committee chaired by Martin Scheinman, who would act as the arbitrator over any disputes that arose out of implementation of the Committee’s initiatives.

order a change that would also comply with a standing order from the state judge that the city continue to provide retirees a single health insurance plan without a premium option.

In December, Scheinman issued an opinion he framed as an order saying the Adams administration could move ahead with the Medicare Advantage rollout, with or without the City Council acting on the Administrative Code change.

“While I understand change can be difficult, particularly when it comes to long-time health benefits, circumstances have evolved to threaten the sustainability of robust premium-free benefits for actives and retirees,” Scheinman wrote.

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Just as nationally, democrats and republicans hijacked Social Security and refused to put funds in a lock box, leading to the "justification" that our benefits funded by our payroll taxes are an "entitlement" subject to be placed on the cutting block, the UFT and city administrations misallocated transitional funding and have tried to use employees' and retirees' deferred compensation to cover their misuse of funds. Indeed this is part and parcel of the desire to destroy all public wealth and privatize everything.

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