



Fact Checks the



UFT United Federation
of Teachers A UNION OF PROFESSIONALS

Misrepresentations Disguised as FAQ - October 22,2022

Retiree Health Care Update

UFT Disinformation for UFT retirees

A health care FAQ for retirees

The following 'UFT FAQ for Retired Teachers Chapter Members' has been fact checked by the NYC Organization of Public Service Retirees. Because someone needs to Fact-Check the BULLSHIT coming from 52 Broadway.

**RECORD
Corrected!**

What is the status of the NYC Medicare Advantage Plus plan?

UFT Claim: The proposed NYC Medicare Advantage Plus plan for Medicare-eligible municipal retirees was not implemented amid ongoing litigation.

In July, the previous alliance of Empire BlueCross BlueShield and EmblemHealth withdrew as the plan's administrators because of the delays.

The state judge told the city that it could move forward with a new NYC Medicare Advantage plan. The only thing in the way now is the need for the city and the unions to negotiate terms with a new plan administrator.

Aetna, another large health care company, has stepped forward to express its interest in administering such a plan for the city's Medicare-eligible retirees. The unions and the city are in the early exploratory phases with the Aetna proposal. Rest assured that the unions will not agree to any plan that is inferior to the premium-free plan that retirees now have.

UFT retirees will remain in their current health plans for the time being. Medicare-eligible retirees do not need to take any action if they are satisfied with their current plan.

FACTS: Mostly true. EXCEPT that while you say that the unions will not agree to an inferior plan, you did just that with the previous negotiation. The Alliance was FACTUALLY inferior to Traditional Medicare with supplemental that the majority of Medicare eligible retirees currently have.

What was the New York City Medicare Advantage Plus Plan?

UFT Claim: It was a brand-new, unprecedented version of Medicare Advantage that was only for New York City municipal retirees and their families. The new plan provided the same excellent benefits as the current GHI SeniorCare retiree

health care plan but at less cost. UFT retirees would have had access to every doctor or health care facility that accepts traditional Medicare coverage.

Even though it was different from traditional HMO-style Medicare Advantage plans, categorizing it as a Medicare Advantage plan made the new plan eligible for \$600 million annually in federal subsidies.

The plan stalled at first because of the poor rollout of information to medical providers and Medicare-eligible municipal retirees. The distinction between the new plan and individual Medicare Advantage plans was not made clear to medical providers so many of them initially indicated to retirees that they would not accept it because they were misinformed.

FACTS: There was NOTHING unprecedented about the plan you negotiated. It IS a Medicare Advantage Plan. PERIOD. The MA Plus Plan DID NOT provide the same benefits OR access to care and we had over 500 affidavits from retirees from across the USA stating that their providers *would not accept ANY MA plan*. There are MANY PPO style MA plans. Doctors and patients have to endure bureaucratic hurdles and dangerous prior authorization, placing medical decisions in the hands of insurance companies and not your doctor.

It requires noting, that the lower cost you reference means lower cost to the City, not to retirees. The subsidy you keep harping on can change at any time and if the City refuses to pay the difference, the added costs are transferred to retirees or services will be reduced. THIS is clearly stated in the Alliance contract, another inferior aspect of the plan you approved. This is exactly what happened with HIP VIP in 2017.

In order to take advantage of the star ratings, NYC/MLC was using a plan managed and underwritten by Anthem of Wisconsin.

The plan stall was not due solely to poor roll out and surely not misinformation. Retirees have two law firms and the Supreme Court who agree with us that what the City was trying to do, charge to retain health care plans that existed, violated Administrative Code 12-126.

What is the MLC?

UFT Claim: The Municipal Labor Committee is the umbrella group for New York City's nearly 100 public employee unions **representing nearly 300,000 workers**. Its primary role is to serve as the bargaining agent for those unions on health benefits for both in-service employees and retirees.

In that capacity, the MLC negotiates with the city itself and in tandem with the city, the committee bargains with health insurance providers and chooses which of them can offer health benefits to employees and retirees and on what terms.

The chair of the MLC is chosen by the union leaders and serves as their spokesperson on these issues. The current chair is Harry Nespoli, the president of the Uniformed Sanitationmen's Association.

FACTS: You left out the fact that the MLC uses a "weighted vote" in which DC37 and the UFT control approximately 2/3rd's of the vote based on membership numbers, which is what is needed according to your governing documents to pass a motion. You reference the MLC as if you are not the MLC! We also note that you never say how many unions are IN the MLC, as that is also a secret. EXACTLY how many unions are in the MLC, Mr. Mulgrew? And why have some unions opted out of the MLC and stopped paying their dues? It is because TWO unions make decisions for the other 100 and apathy has set in. In the vote to change the Administrative Code, 40 unions out of 102 did not even attend the meeting. Is that a result of the apathy, or maybe those unions did not receive clear communication about the meeting or its purpose. The rules of the MLC need to be changed to make it a democratic process and prevent just two unions from being bullies. In addition, under the Taylor law, unions do not represent retirees. Your own words (highlighted above) state very clearly that unions represent workers. What it does not say is that unions represent workers AND retirees. This is not to say that unions of past did not protect retiree benefits, that is until YOU, HENRY and HARRY approved the 2014 UFT contract on the backs of the other unions and caught them all up in this funding mess.

Why is health care such a major issue right now?

UFT Claim: The escalating cost of health insurance, prescription drugs and medical care across the country has created a national crisis. Hospitals and drug companies are charging increasingly exorbitant amounts, and New York City is no exception. The rate of increase is unprecedented, and it is an issue that must be addressed.

FACTS: You should also mention that the City and MLC uses the Health Insurance Stabilization Fund (HISF) like a slush fund. This statement has also been made by the Independent Budget Office (IBO) and the last two Comptrollers. And while costs are high, there is no real “crisis,” the MLC has manufactured this. Cost to the City has increased but so has head count, by about 11%. Medicare eligible retirees plans are only 20% plans, and the costs of the employees plans are significantly higher. Please provide us a full accounting of the costs, including an accounting of the Health Insurance Stabilization Fund, the Retiree Health Benefit Trust, and all the experience reports for the last 10 years.

Your message claims “unprecedented increases” in NYC spending. City spending on health insurance in 2013 was \$6.4 B and projected to be \$7.8 B in 2023 per the adopted budget. Not double as you claim.

How could the national health care crisis affect the UFT and its members?

The UFT and its fellow unions in the MLC have been a shield for in-service and retired members from these escalating costs. But the premium-free health care of all UFT members, both in-service and retired, is at risk if we don't aggressively leverage the size of New York City's municipal workforce to go after insurance companies and get medical providers to deliver services more efficiently and at less cost. It's the approach the unions have taken over the past decade, and it has yielded results. The UFT is determined to find a path forward that takes care of all its members, both in-service and retired, as well as future members.

FACTS: Administrative Code 12-126 shielded employees and retirees from escalating costs. The UFT, MLC and City have sought to diminish our benefits, limit choice by stripping our plans away like you did in 2021 when you rolled out the MAPP, and you are doing it again with Aetna and the proposed change the Administrative Code.

What is the stabilization fund and how does it relate to health care?

UFT Claim: The stabilization fund was originally created in 1984 to ensure that both GHI and HIP were funded without requiring payroll deductions. In the decades since, the city and its unions have also used the fund in a variety of ways, such as offsetting members' costs for PICA drugs (for chemotherapy and self-injectables), subsidizing the cost of retiree prescription drug riders, shoring up various union welfare funds facing fiscal uncertainties and paying survivors' benefits to the widows of uniformed officers.

All fund decisions are made jointly by the city and the MLC. The fund has benefited the in-service and retired members of every municipal union.

FACTS: The full name is HEALTH INSURANCE STABILIZATION FUND (HISF) and you, Randi Weingarten, the City and the MLC used this fund like a piggy bank for things like budget shortfalls and raises. Two examples: 2009, an ongoing annual payment of \$112 M was agreed to primarily to reduce layoffs, and, 2014, your contract permitted a one-time \$1 BILLION to be conveyed to the City under the 2014-2018 HSA as part of a larger deal to offset the cost of bargaining, ie: mostly teacher raises. You did not protect the HISF or replace it with cash when you took cash out! **YOU set the pattern.** No other union negotiated a contract partially funded by other unions. **THE UFT DID THAT.**

Did unions borrowing from the stabilization fund cause our current health care crisis?

UFT Claim: No. When the city and the MLC agreed in 2014 to use funds from the stabilization fund to help pay for salary increases for all city workers between 2015 and 2018, the funds that were drawn down were completely offset by \$1 billion in cost-saving measures in health care that the union and city worked together to generate over that same period. Not a single health care benefit was either lost or diminished during that three-year period as a result of these cost-saving measures. In fact, some health care benefits were enhanced.

The skyrocketing cost of health care has depleted the stabilization fund and is making it difficult to keep current health care plans sustainable.

FACTS: The UFT/MLC **did in fact diminish health benefits** during this period. Every prior authorization, co pay, coinsurance and network you put in place was a give back. In 2016, you also took the retro pay from retirees who retired under an expired contract and gave that to active workers. That was a giveback. Once again, you set the pattern to screw other union retirees. Say it with us, “I, Michael Mulgrew, signed a contract that was partially paid for by money from the Health Insurance Stabilization Fund, and the offset was also on the backs of other unions and retirees. I set that pattern.”

Was the NYC Medicare Advantage Plus plan an effort to privatize Medicare?

UFT Claim: No, the proposed plan was, in fact, a Medicare program. The city and the unions were able to access federal funding because it is a public program.

Individual Medicare Advantage plans have restrictions and leave subscribers with fewer medical options and/or higher out-of-pocket costs. The new plan was a custom, large-group version of Medicare Advantage developed for New York City municipal retirees only. It was modeled after GHI SeniorCare and was filled with features that made it the same or better than SeniorCare but at lower cost. While the

new NYC Medicare Advantage Plus Plan bore the same (unfortunate) name, it had none of the issues that people have experienced with individual Medicare Advantage plans.

FACTS: The description of Medicare Advantage plans from the Medicare and You Handbook states **“Medicare Advantage is a Medicare-approved plan from a private company that offers an alternative to Original Medicare for your health and drug coverage.** These “bundled” plans include Part A, Part B, and usually Part D”. This description negates 2 of your statements above: Medicare program, as you state the proposed plan was, is not the same as a “Medicare approved plan” and the plan is from a private company, not a public program. Just because the federal government provides a subsidy does not make it Original Medicare. The Union’s intention may not be privatization, but the act of forcing us into an MA plan is precisely what you are doing. The UFT made several resolutions to never do this, yet here you are. MA plans have been an option for many years, even to NYC retirees. In fact, HIP VIP is an MA plan. What has changed since 2018 with regard to MA plans, is that President Trump passed a law that allowed employers and unions to auto enroll retirees into these plans because they are federally funded.

The proposed MA plan was not modeled after SeniorCare, rather it was modeled after GHI CBP. GHI CBP is riddled with copays and prior authorizations. SeniorCare did not have co-pays until they were instituted in 2022 by YOU, and since it is a supplemental to Original Medicare, prior authorizations (other than under extreme circumstances such as transplants) are not required. Also, the name did NOT need to have the words ‘Medicare Advantage’; HIP VIP is an MA plan yet the words “Medicare Advantage” do not appear in the name. The proposed MA plan most assuredly would present the same issues as other MA plans for the simple fact that it is NOT Original Medicare. The Inspector General has reported on issues with MA plans and the Department Of Justice is currently in Court with just about every vendor. And yes, AETNA is one of those vendors under investigation.

Why are municipal unions seeking to change the city's administrative code?

UFT Claim: 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. 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.

The MLC is asking the New York City Council to add a clause to the administrative code to codify the past practice of the last several decades allowing unions to be able to negotiate health care costs and give health-care plan options to members.

The city code sets a benchmark of spending that the city must adhere to when providing health care coverage. As it stands, the benchmark cost is the cost of HIP-HMO; by adding the clause, unions in the MLC can negotiate an alternative benchmark plan that costs less but offers the same or better quality of care.

The administrative code would continue to require the city to provide a comprehensive, premium-free health plan. The additional clause would only strengthen the current code by clarifying and reaffirming the MLC's right to negotiate for all members and ensure the city must offer options when it comes to health care plans.

Without this change in code, the city may choose to save costs by offering only one health care option that isn't up to the unions' standards.

The judge has already ruled that the NYC Medicare Advantage Plus plan can move forward. The change in the administrative code will allow the municipal unions to do what they have always done to advocate on behalf of members for the best possible health care benefits.

FACTS: The only factual statements above are those that are highlighted. Administrative Code 12-126 is very clear and the Judge's interpretation was accurate, albeit not what the City and MLC want to hear. The Judge's ruling DID NOT say that the City only had to offer premium free plans. The City cannot make changes to plans offered without approval of the MLC. What has happened is the City has forced the MLC to agree to an ambiguously worded amendment that would

serve to treat groups of workers and retirees differently. When Mr. Mulgrew says that the Judge's ruling takes away the bargaining power of unions, what he means is that the City is holding contract negotiations hostage until the MLC submits to the City's tactic to remove the cost of retiree healthcare from its books. They also do not want to admit that under the direction of Robert Linn, the City has failed to cover every employee, retiree and their dependent up to the statutory cap and inserted his own interpretation. As a result retirees have been overcharged for decades for plans that fall below the cap. Consider that your savings. For 30 years. Leave our plans alone and fire Robert Linn as your consultant.