CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CIVIL SERVICE
AND LABOR

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B E F O R E: I. Daneek Miller
Chairperson

COUNCIL MEMBERS: I. Daneek Miller
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Eric Dinowitz
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A P P E A R A N C E S (CONTINUED)

Renee Campion
Commissioner
Mayor's Office of Labor Relations

Claire Levitt
Deputy Commissioner
Healthcare Strategies
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Ken Godiner
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Barbara Turkowitz

Linda Ostriker

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Judy Arnow

Michael Schulman

Ellen Fox

Martha Cameron

Jacqueline Johnhouse Barnette

Roberta Gonzalez

David Chester

Leonard Rodberg, read by unidentified

Mr. Fisher

Michelle Ravid

Denise Rickles

CHAIRPERSON MILLER: Good afternoon [gavel] and welcome to today's hearing, oversight concerning recent changes to the healthcare benefits of the city's retirees and their dependents. My name is I. Daneek Miller and I am the chair of the New York City Council's Committee on Civil Service and Labor. Welcome, everyone, to the people's house. We've been joined by Council Members Dinowitz, Moya, and Louis. Today's hearing will marked the fourth of the city's oversight hearing on healthcare savings agreement, entered into by the administration and the Municipal Labor Council. Since our last hearing topic in 2018, the city and the municipal labor council committee reached an agree to adopt Medicare Advantage Plan. Under this plan, the city's retirees would be switched from their current benefit plan to a new Medicare Advantage Plan that will be jointly administered by private health insurance companies, Emblem Health and Blue Cross Blue Shield. Throughout these hearings I have shared my concerns about the cost savings measures have limited access and diminished quality of care for the city's municipal workforce. New York City retirees earned and deserve access to superior service and efficient service,

delivery of services. We need to address the city's escalating healthcare cost without sacrificing benefits and services to the city's most precious resources, their retirees. Today we will hear from the city's Office of Labor Relations and the Mayor's of Budget and, Management and Budget. About the New York City's new Medicare Advantage Care Plus plan. My goal for today's hearing, ah, to evaluate the new plan and learn more about the city's effort to educate retirees about the expected new benefits and the changes, if any. Today's hearing is also an opportunity for the administration to correct the record about any misinformation about New York City's Medicare Advantage Plan and to address retirees' fears about the impending changes, if any. Today's hearing is also an opportunity for the administration to correct the record about any misinformation about New York City's Medicare Advantage Plus Plan and to address retiree's fears about the impending changes. I'd like to thank my staff, ah, chief of staff Ali Wiholazan, legislative director John Marney, and of course my senior, ah, advisor, the great Joe Goldbloom. It'd like to thank legislative staff as well, committee counsel Bianca Vitale, policy analyst

Elizabeth Arts, and finance analyst Nevin Sang. With that, we will now hear from the administrative witnesses. Commissioner of New York City Office of Labor Relation, Renee Campion, and Office of Labor Relation Deputy Commissioner of Healthcare Strategies Claire Levitt, and First Deputy Director of Office of Management and Budget, Ken Godiner. Council, can you, ah, affirm the witness.

COMMITTEE COUNSEL: Good afternoon. Do you affirm that your testimony will be truthful to the best of your knowledge, information, and belief?

COMMISSIONER CAMPION: I do.

FIRST DEPUTY DIRECTOR GODINER: I do.

DEPUTY COMMISSIONER LEVITT: I do.

COMMITTEE COUNSEL: Chair?

CHAIRPERSON MILLER: OK. You may begin your testimony.

COMMISSIONER CAMPION: Thank you, Chair. Ah, can you hear me sufficiently with the mask on, I just don't want...

CHAIRPERSON MILLER: That's OK.

COMMISSIONER CAMPION: ...mask on. OK. All right. So good afternoon, Chair Miller and members of Civil Service and Labor Committee. Thank

you for the opportunity to testify here today. I'm joined at the table by Claire Levitt, OLR deputy commissioner for healthcare strategy, and Ken Godiner, first deputy budget directory. We're here today to discuss the new New York City Medicare Advantage Plus Plan that was customized for the 250,000 New York City Medicare retirees and dependents. The city has worked hard in collaboration with the Municipal Labor Committee to offer a new retiree health plan that is not only premium-free will be benefits equivalent to the existing senior plan, but also provides important new benefits designed to support the health of our retirees. We understand that retires have questions about this plan, but we are very proud and excited about what this plan offers and we hope to offer clarification during this hearing today. By converting from a Medicare supplemental plan to a Medicare Advantage Plus Plan the city will benefit from the federal government subsidy of Medicare advantage plans nationwide and will save 600 million dollars a year while still providing an even better plan than the current plan. As you may be aware, pending litigation may limit our ability to answer

some questions, but we will do our best to have the most productive hearing possible for the benefit of the retirees who are here with us today, as well as the council members present. The court has extended the opt-out deadline and we will be submitting an implementation plan to the court for review. We hope we will receive permission to move forward with the implementation of the plan expeditiously. How original Medicare and Medicare, Medicare, and Medicare Advantage Plans are different. To understand how Medicare advantage plans generate savings it's important to understand how traditional Medicare and Medicare Advantage work different. In traditional Medicare, the Centers for Medicare and Medicaid Services, CMS, directly pays hospitals under Medicare Part A, and also directly pays medical expenses to doctors and other healthcare providers under Medicare Part B, which generally pays 80% of the Medicare allowable rates. A Medicare supplemental plan, like senior care, pays after Medicare pays and covers the 20% that Medicare Part B doesn't pay, subject to any co-pays in the plan. Medicare Advantage Plans, sometimes called Part C, and are offered by Medicare-approved private

insurance companies. In a Medicare advantage plan, both Part A and Part B payments come from the Medicare Advantage Plan, not original Medicare, along with the supplemental benefits from the same company. A Medicare Advantage Plan typically includes benefits not covered by Medicare. The process is seamless, so it's simpler for retirees. Our testimony includes some helpful visual that highlight some of these key differences and that is in your packet. Medicare pays a fixed amount for coverage each month to the company offering the Medicare Advantage Plan. Under Medicare Advantage Plan the private company must follow all of Medicare's rules and a retiree has all of the same rights and protections that retirees have under original Medicare. Medicare Advantage Plans are able to provide better and more efficient programs, address care gaps, and support the health of the programs' members with the amount of money provided by Medicare and may need to charge an employer little or no additional premium. About 42% of Medicare recipients nationally receive their Medicare coverage through a Medicare Advantage Plan. To review why we embarked on this change, in 2014 and the municipal unions entered into a four-year

agreement to achieve 3.4 billion dollars in guaranteed health cost savings, aimed at controlling the escalating costs for New York's healthcare programs. As reported to this committee previously, we achieved those savings in the 2015 to 2018 period. In 2018 we agreed with the Municipal Labor Committee to target another round of savings for 2018 through 2021 of 1.1 billion dollars, which we've also received, which, which we have also achieved and will be fully reporting on shortly. It's important to note that the Medicare Advantage savings are not part of our health savings program targets. Instead, in an agreement with the MLC, the city agreed that the full amount of the Medicare Advantage savings expected to be about 500 million dollars a year, would be redirected to support the benefits, provided by the Health Insurance Stabilization Fund for actives and retirees. The Health Stabilization Fund was originally established in the 1980s to assure that there was funding to equalize the cost of the PPO plan and the HMO plan to permit employees to have a choice. Over time it has also covered other important expenses, including speciality drugs, care management, and other complaints. The stabilization

fund is jointly administered by the city and the MLC. As part of the 2018 agreement, we also established a Tripartite Committee, consisting of leadership of the Municipal Labor Committee, the city, and arbitrator, Marty Scheinman to work on identifying additional costs management strategies. During the 2015 to 2020 period, all the savings programs involved changes to the healthcare coverage for active employees and pre-Medicare retirees. With the Tripartite Committee, the city and the MLC also began exploring changes to the Medicare retiree coverage. New York City retirees, like New York City active employees, enjoy premium-free health insurance coverage. In addition, the city reimburses retirees and their spouses for the coverage of Medicare Part B coverage. These are increasingly rare and unusual benefits and they are very expensive. Since 2000, the cost of the city for retiree health coverage has nearly tripled. In 2020 we spent 571 million dollars on retiree health coverage compared to 200 million dollars in 200. In addition, the reimbursement of Medicare Part B coverage for retirees has gone from 54 million in 2000 to 328 million in 2020, an increase of over 600%. In 2020 the city spent nearly a billion

dollars on retiree health costs. There are some bar graphs in the testimony that represent in five-year increments, um, the different escalations in costs. Knowing that the escalating costs of retiree benefits needed to be addressed, in early 2020 the MLC and the city agreed to add $15 co-pays to certain benefits in the senior can plan for doctor visits, radiology, and lab services. However, before that could be implemented in July 2020 the COVID pandemic hit and the city and the MLC agreed it was not the right time to change retiree benefits. Instead, those co-pays were included in both the new Medicare Advantage Plus Plan and Senior Care Plan for 2022. The city and the MLC worked for over a year to develop the parameters for a new Medicare Advantage Program and commenced a negotiated acquisition process in November 2020 to select a vendor, whose offer was most advantageous to the city. In July of 2021 it was announced that the city and the MLC had awarded the contract to the Alliance, a contractual alliance comprised of Anthem, Empire Blue Cross, and Emblem Health, and that the new plan was expected to save the city about 600 million dollars a year as a result. In developing the program we were committed to offering similar

benefits to the existing program while optimizing the federal funding available for Medicare advantage programs. This new program is a win-win for everyone involved. Retirees continue to have a robust program of premium-free health insurance plus their Medicare Part B reimbursements, and the city is able to save 600 million dollars a year. Our new plan, called the New York City Medicare Advantage Plus Plan is a customized plan exclusively for New York City retirees, designed to provide equivalent or better benefits in comparison to the senior care plan and no premium cost to retirees. The New York City Medicare Advantage Plus Plan replaces both traditional Medicare and a Medicare supplement plant with a single integrated program at a much lower companies to the city than the existing senior care program, and at no premium cost to retirees. The Medicare Advantage Plan provides all the healthcare services previously covered by original Medicare and those supplemented by the Senior Care Program, and also adds important new benefits not covered by the current Senior Care Plan. Of the most important ways Medicare Advantage Plans can be less expensive is by encouraging and enhancing the healthy lifestyle

choices of its participants. The New York City Medicare Advantage Plus Plan is design to motivate individuals to stay health with preventive programs and to improve clinical outcomes for patients with more complex medical conditions. This innovative plan includes addressing complex case management, home visits, house calls, and a rare disease management program. A comparison chart of all of the major plan provisions is on, ah, the following page of your packet. If you look at the side-by-side comparison chart of the senior care and Medicare Advantage benefits, you will see that they virtual identical, except that the new Medicare Advantage program offers some important new benefits not available in any of our other retiree plans. Let me name some of them. Zero dollar co-pay for primary care visits compared to $15 co-pay under senior care. An out-of-pocket maximum of $1470 per year compared to the senior care program with no out-of-pocket maximum, basically unlimited. 365 days of hospital coverage, only available as an additional buy-up in senior care. Transportation to and from a doctor's office or a pharmacy for up to 24 visits a years. Meals provided after a hospitals. A $500 hearing aid

allowance. A telehealth with zero dollar co-pay. The Silver Sneakers fitness program plus a fitness tracker device. And $200 wellness rewards programs that pay retirees to go for previous care. You have in our packet a list of, a more extensive with more detail of the senior care benefits versus the Medicare Advantage. One of the major concerns we hear from retirees is that they won't be able to continue to see their doctor. This is not case. This is not a limited network plan. Our Medicare Advantage Plan is what's called a passive PPO plan or an extended service area plan. This means that our retirees can go to any doctor that accepts Medicare. I want to repeat it because it's important to understand. Retirees can go to any doctor that accepts Medicare. That's 850,000 Medicare participating doctors nationwide. It's the same number of doctors they can go to in the Senior Care Plan. It doesn't matter if the doctor is actually in the Alliance network or not. Even if a retiree goes to a doctor who is not in the alliance network the retiree can't be balanced billed above the Medicare fee schedule according to the Medicare rules. Over 91% of the providers that the retires in senior care

have utilized are providers who are contracted directly with the alliance to accept Medicare Advantage Plan. Unfortunately some doctors' office are still confused by the new program, especially outside the New York area, and we've heard complaints from retirees saying their doctor's off said they don't take Medicare Advantage. To address this, the Alliance has embarked on an extensive program to educate doctors about the new program is and is holding webinars for doctors to help them understand how it works. All the hospitals in the New York metropolitan area, including renowned institutions such as Memorial-Sloan Kettering and the Hospital for Special Surgery participate in the Alliance network. The Alliance has signed contracts with both Memorial-Sloan Kettering and HSS. Outside of the New York metropolitan area, the national Anthem Blue Cross network covers 96% of all hospitals. Also, the New York City Medicare Advantage Plus Plan does not require a referral, does not require a referral to go to a specialist. Retirees can self-refer to any Medicare participating specialist. Retirees have expressed concerns about the preauthorization requirements in the new Medicare Advantage Plan,

including whether it cases delays, creates paperwork for them, and results in denials of care. The preauthorization requirements are actually identity to the requirements in the Empire Emblem CBP plan for active employees. So most of our retirees have been part of such a program when they were active employees. Under the Alliance plan the preauthorization reviews are conducted between the provider and the Alliance, and there is no paperwork for the retiree. Reviews are normally completed then three to five days. In an emergency, the requirements are waived. In an urgent situation, the timeframe is 24 to 48 hours. While out-of-network Medicare providers are not required to seek authoritarian, members are encouraged to work with these providers to obtain preauthorization to ensure proper processing and payment of their claims. While this is a procedural change, it guarantees the treatment is medically necessary and appropriate for our retirees, and ensures that they know in advance what is covered. Current New York City retirees will be given the option to opt out of the new New York City Medicare advantage plus program and remain in whatever program they are currently enrolled in.

However, their existing program may require an additional premium. For example, to remain in the Senior Care program is a cost $191.57 per month per person. Rates for other plans are shown in the rate chart in the appendix of your testimony binder. Retirees who do not opt out will be automatically enrolled in the New York City Medicare Advantage Plus Plan and will have no premium cost. Retirees will have annual open enrollments, during which they can transfer between the Medicare Advantage Plan and the Senior Care Plan. Future retirees will have a choice of Senior Care at the buy-up rate or the premium-free Medicare Advantage Plan. Many retirees get their prescription drugs from the union welfare funds, and that remains unchanged on the Medicare Advantage Plan. For those retirees who don't have prescription drug coverage from their union's welfare fund, the Emblem Health Prescription Drug Rider that is currently available to those retirees will continue to be offered. The co-pays and the formulary remain the same, and this program does not have the Medicare Part D donut hole. The one change is that the prices is being reduced from $150 a month to $125 per month. The city, the MLC, and the Alliance are

working diligently to make sure retirees have access to extensive information about the new program. Retirees receive an introductory letter in August and a 40-page enrollment guide in September, along with a set of frequently asked questions. All of the material, including a comparison of each existing plan with the new Medicare Advantage Plan is posted on the OLR website and is provided for you in the attachments with the testimony. The Alliance has also held ongoing webinars, open to all retirees. To date there have been 77 webinars attended by 38,000 retirees. Twelve more are scheduled and the Alliance will continue to hold webinars as long as there is demand. In addition, a recorded version of that webinar is available for your viewing at the website mentioned in the testimony. Once they enroll, retirees will receive a welcome kit and their new ID card before the start date. Ongoing monthly newsletters will keep them informed and up to date. The new Medicare Advantage Plus Plan will significantly reduce the city's costs because of federal funding, while providing the same benefits as the Senior Care Plan. Its customized features include many new and exciting quality programs to

support retirees. By agreement with the Municipal Labor Council the city will be redirecting the savings generated by the program into the Health Insurance Stabilization Fund to help support the health insurance's programs for active and retirees. This helps the city to continue to provide a premium-free health program to active and retirees and continue to reverse, reimburse retirees for Part B premiums. The city and the MLC are forming a committee to carefully monitor the Medicare Advantage Program to ensure that the Alliance meets all of its commitments to us and delivers the quality services we expect for our retirees. The city and the MLC are designing a reporting package for the Alliance to report back to us on important aspects of the program, including customer service response times, payment turnaround times, complaints, preauthorization information, and more. We will report publicly on the status of the program on an ongoing basis. Above all, providing high-quality, premium-free health insurance coverage to retired city employees has been our number one priority through this process. Thank you for inviting us to

this important hearing. We'd be happy to take any questions now from the committee.

CHAIRPERSON MILLER: Thank you so much.

COMMISSIONER CAMPION: Thank you.

CHAIRPERSON MILLER: And we've been joined by Council Member Helen Rosenthal. OK, we will begin with some questions. Ah, so, let's begin by talking about how this marriage happened, ah, between this, the, and the Alliance and, and then we kind of get to where we are today, and, and, and the new plan and implementation of the new plan. But let's begin by, ah, talking about the 2018 Health Savings Agreement between the city and the MLC that committed to this opportunity of the tripartite, ah, insurance policy committee to study and make recommendations, ah, for the reforming healthcare for city workers and their, and their dependents who achieve long-term savings and stability. Ah, how many members serve on the tripartite, ah, health insurance policy committee?

COMMISSIONER CAMPION: Um, thank you for the question, Chair. Um, the number of, so there is, um, ah, ah, there, there's a representative chair of the MLC, who is the principle, um, and that person is

Harry Nespoli chair of the MLC and president of the Sanitation Workers.

CHAIRPERSON MILLER: Um-hmm.

COMMISSIONER CAMPION: The city chair of the committee is myself, as the labor commissioner representing the City of New York and, um, the third person is Marty Scheinman, who is well-renowned arbitrator, ah, and mediator who was named in the prior agreement from 2014, um, ah, to address any issues that came as a result of the health savings benefit agreement. There are, ah, many other people, ah, including my deputy commissioner for healthcare cost management, Claire Levitt, Ken Godiner, the first deputy budget director on the city side. Um, also on the city side is we have an actuary from Milliman, um, who attends every meeting. On the, ah, union side there are various members of the health, um, ah, technical committee and members of the, um, ah, ah, members of the different principles of the unions, um, Henry Garrido from DC37, Michael Mulgrew from the UFT, um, as well as their, ah, ah, represented actuary, ah, from the Segal firm.

CHAIRPERSON MILLER: OK. So and, and, and basically, ah, they're appointed by the MLC as well as the administration? Would that be correct?

COMMISSIONER CAMPION: Well, the, um, thank you. The city appointed its, its own, ah, ah, chair. Ah, the MLC appointed their own, ah, chairs. Um, and, ah, Marty Scheinman was, the parties agreed that Marty Scheinman would be the third person, um, chairing those meetings.

CHAIRPERSON MILLER: OK. My, my, my old friend, Marty. OK, um, so, um, were, were they, were they, obvious factors in determining who these individuals were, ah, based on qualifications?

COMMISSIONER CAMPION: Um, so the, um, just equally...

CHAIRPERSON MILLER: Or just because, because of the matter of titles?

COMMISSIONER CAMPION: Well, I don't, um, it was, it was really a matter of who the principle was representing the chair, ah, the committee itself, though, um, you know, on the MLC, ah, on the MLC side obviously the, the three principles, Harry Nespoli, Henry Garrido, and Michael Mulgrew, um, are all there and present for all meetings.

CHAIRPERSON MILLER: But, but, but the representative on, on, on the actually committee is, is three, right? Thus tried...

COMMISSIONER CAMPION: A member, the, Harry Nespoli from the MLC.

CHAIRPERSON MILLER: Right.

COMMISSIONER CAMPION: Myself, and, and...

CHAIRPERSON MILLER: And, and then Marty Scheinman.

COMMISSIONER CAMPION: ...and Marty Scheinman.

CHAIRPERSON MILLER: OK. And then, and the rest are, are technical support that, that are made available for each meeting on all, on all sides, being administration...

COMMISSIONER CAMPION: Correct.

CHAIRPERSON MILLER: ...[inaudible].

COMMISSIONER CAMPION: They're representatives at, at their desire technical support and, yes, and the actuaries on both sides.

CHAIRPERSON MILLER: And so how was that the committee ultimately communicated, the committee ultimately, ah, communicated its recommendations, um,

to the city, ah, to the city and MLC? Was it, was it, ah, verbal? Was it oral? Was it, ah, written reports?

COMMISSIONER CAMPION: We had, ah, thank you, we had several, um, actually over the course of probably the course of approximately two years of monthly or bimonthly meetings, ah, in person pre-COVID, in-person meetings that were held in my offices, the Office of Labor Relations, um, and we worked out, um, we had many discussions, many, many discussions, and worked, ah, when we came to a mutual agreement on, ah, different, ah, ah, solutions to the sort of spiraling healthcare costs in to address those we, um, ah, whereupon mutual agreement we agreed to pursue them.

CHAIRPERSON MILLER: So I, I noticed in you articulating who was on the panel and who was there for technical support, um, were there any retirees from the, ah, collective bargaining units that were represented or who represented retirees, ah, or were they represented at all, ah, on the tri panel?

COMMISSIONER CAMPION: So on the tripartite panel to, to just to clarify, um, the

discussions were not only about retirees. They also did discussions on the healthcare savings program, ah, regarding actives and retirees and their families. Um, so those were the discussions that actually, um, ah, encompassed all, all...

CHAIRPERSON MILLER: Right. But was there any retirees represented.

[voices saying no]

CHAIRPERSON MILLER: Ah, [gavel] we do this, OK? Thank you.

COMMISSIONER CAMPION: There were no specific independent retirees that were represented on the panel.

CHAIRPERSON MILLER: OK. And, and, and with the recommendations that came from the, ah, panel, um, the committee, ah, were retirees ultimately able, did, were there an opportunity for them to review any of the recommendations?

COMMISSIONER CAMPION: Look, I think it's important at this point if that I just clarify, um, the role of the MLC and the city and how health bargaining takes place.

CHAIRPERSON MILLER: Please.

COMMISSIONER CAMPION: OK. Thank you. So the city and the Municipal Labor Committee have been, ah, working together and they have written agreements regarding, um, the mandatory subjects of bargaining of health, of health benefits. So it's a mandatory subjects of bargaining that is done as we do in other, ah, environments with the representative of the city, ah, the city team, and representatives of the respective union, in this case the municipal labor committee. Ah, there are agreements going back to 1992, um, where it is agreed between the parties that we are to jointly, um, discuss and, ah, come to a mutual, come to an agreement essentially, um, on health care benefit savings and to discuss health care benefit issues. The tripartite, um, committee that was established as a result of bargaining between the MLC and the City of New York was, had members on it who were part of those, both of those entities, um, both of those entities. So there is not, the MLC, the Municipal Labor Committee, represents employees, ah, the respective employees, um, as well as, as, as, um, the respective employee groups, um, and the City of New York represents the,

the city's interests. So to, um, why don't I just leave it at that.

CHAIRPERSON MILLER: So, I, I, I, I guess I could, I, I would not necessarily conclude but surmise that the MLC and other bargaining units, ah, ah, based on what you just said, they, they are the exclusive, ah, bargaining agents for benefits according to the agreement which includes the retiree benefits, correct?

COMMISSIONER CAMPION: That's correct.

CHAIRPERSON MILLER: And, and, and so this, I guess I would pose to members of Majority Leader and, and the unions, um, that they have, um, conferred and, ah, with, with retirees that they represent over this.

[voices saying no]

CHAIRPERSON MILLER: OK, so, so that's further.

SERGEANT AT ARMS: Quiet, please.

CHAIRPERSON MILLER: So, um, what criteria did the committee consider when evaluating the cost-saving options?

COMMISSIONER CAMPION: Ah, thank you for the question.

CHAIRPERSON MILLER: Um-hmm.

COMMISSIONER CAMPION: Um, so, due to the fact that, um, um, healthcare costs, as we all are very more than well aware of, are spiraling, increasing year after year after year. It has become, it became clear and the parties were agreed to meet to discuss what strategies could be used to reduce the cost and continue to provide the same premium-free health benefits to actives and retirees that the city and, ah, the MLC had historically provided. There were many, um, ah, improves and changes that were made on the active side, ah, as well as, um, and, and, um, until the point of the Medicare Advantage, um, was discussed, um, at that point there had not been any, any benefit changes on the retiree side. Um, I'll ask Claire Levitt, my deputy commissioner for healthcare cost management, to go into a little bit of detail about the actual, ah, benefits that the parties did agree to, ah, implement.

COMMISSIONER CAMPION: Well, I think...

CHAIRPERSON MILLER: So, I'm sorry, ah, Claire, but before and, and please, um, identify yourself on the right, but before you answer I, I,

I'm to assume that it was the escalating, continued escalating costs that, that, that kind of drove the MLC and the city towards this agreement? So the question was...

DEPUTY COMMISSIONER LEVITT: That, that's correct. So I, I believe I mentioned in my testimony, Chair, that the increases in costs, um, on the retiree side had gone up exponentially.

CHAIRPERSON MILLER: Right, three, yes.

COMMISSIONER CAMPION: 600.

CHAIRPERSON MILLER: Yeah, 600 [inaudible].

COMMISSIONER CAMPION: And the Medicare Part B reimbursement has gone up to 600%.

CHAIRPERSON MILLER: Three times a much and we'll get to that because, ah, what, what, what the at the same time period how much did the, ah, active member, ah, escalate? What was the, ah, how much did the active benefit, ah, increase in cost, during the same time period?

COMMISSIONER CAMPION: Um, unless one of my fellow panelists has that, ah, information I'll get back to you with that information, sir.

CHAIRPERSON MILLER: OK, OK. Claire? You're up.

DEPUTY COMMISSIONER LEVITT: Thank you. Claire Levitt. I'm a deputy commissioner for the Office of Labor Relations for healthcare strategy. Ah, in, in looking at, at our operations for healthcare savings, um, we, we considered, you know, we considered many different approaches for retiree benefits. Um, we looked at the possibility of, ah, of reducing some of the benefits that were in the Senior Care Plan, but what was so, what, what the beauty of the Medicare Advantage Plus Plan is that for the same, um, that we can get all of these savings because of the federal subsidies, provide the same level of benefits, and still keep it premium-free. So we were very, we were very excited to be able to offer a plan that, ah, not only created, um, a, a huge amount of cost savings for the city but didn't take anything away from, from our retirees, but in fact added to the benefits that they actually have and Renee went through some of, ah, the specifics of the additional benefits in the plan and you can see that there are, there are a whole lot of, of brand-new benefits, including, ah, including a

$1470 out-of-pocket maximum per year when there was no out-of-pocket maximum before, and retirees could have an unlimited amount of out-of-pocket expense. Um, it covers 365 days of hospital coverage that was only previously available as a buy up, and, and one of the benefits that, that really excites me is the idea that it covers transportation to and from a doctor's office, which is a wonderful benefit for retirees. Um, it's, there's a $500 hearing aid allowance. Retirees have not previously also had telehealth coverage and this adds telehealth coverage, um, with a zero co-pay. So we think that this is a, we, we think that this is, um, and actually a superior plan to the combination of Medicare and the Senior Care Plan and still keeps it premium-free for retirees and also, um, enables us to continue, ah, reimbursing everybody for their Medicare Part B premium coverage.

CHAIRPERSON MILLER: OK, thank you, guys. That was pretty extensive, but we, we are gonna kind of drill down further with the plan, ah, the benefits of the plan. Ah, but I know my colleagues have questions and I think I have two, ah, before, and, um, could, could you speak to the difference and this

very specific employer, employee, um, Medicare Advantage Plan, ah, that we're entering into as opposed to, ah, private Medicare Advantage that they could opt into their, as, as individuals during any annual open enrollment period. What makes this special?

COMMISSIONER CAMPION: So, thank you, Chair for, um, for asking that important question. This, this plan is subject to all of the rules and guidelines as Medicare, ah, as it currently exists. It's, um, does not, there is no premium cost as we, we've said, um, and that people can see, and retirees can see the same doctors under, if you're, if the retiree is seeing a doctor under Senior Care today and they accept Medicare, then they can see the same doctor when this plan goes into affects that also accepts Medicare. There is, if, let me just [inaudible].

CHAIRPERSON MILLER: And, and that, and, and that's the primary difference between this and what Joe Namath has to offer? [laughter]

COMMISSIONER CAMPION: Well, so, so this plan was exclusively designed for New York City retirees. It is not an off-the-shelf Medicare

Advantage plan that I'm sure many people are aware of and have friends and family across the country who they are in with limited networks and reduced benefits. This plan was created specifically for New York City retirees and the cornerstone of the plan was that, that Medicare retirees would be able to see any, any doctor that accepts Medicare and their benefits would be equal to or better than, and in many cases better than the existing benefits.

CHAIRPERSON MILLER: OK, great. That, that's a good segue until my, my next question before I hand it off. And that is that one of the criterias, um, from your office, Office of Labor Relations, on the RFP was that the bidders had at least a one client with at least 50,000 employees, ah, unless another client had 50,000 members, um, if Medicare Advantage. Is that Medicare Advantage or is that, ah, employees for members represented in general?

COMMISSIONER CAMPION: So, thank you, Chair, for asking the question. Regarding the, ah, procurement, um, as you aware, ah, the case is in litigation, um, and to the extent that there is argument on both sides, um, at this point, ah, I

would, ah, ah, I'm not available to, I'm not able to discuss the legalities, um, of that case, but we can discuss what the current Medicare Advantage Plan and the previous Senior Care Plan, um, Enable.

CHAIRPERSON MILLER: Yeah, I'm not asking that. I'm, I'm just asking about the criteria for the RFP. Was it, was it that you required 50,000 members and an experienced group in, in order to qualify for in order to bid?

COMMISSIONER CAMPION: So let me defer to Claire Levitt, the deputy chair, deputy commissioner, ah, to the extent she has the specifics.

DEPUTY COMMISSIONER LEVITT: There, there was a requirement in the RFP that the bidders have, ah, clients that have, ah, 50,000 lives. The intent of that was to make sure that we got, we had bidders who were large enough to handle the city's, ah, the, the city's, um, requirements for the plan. Um, it wasn't, the, the intention was not to have a specific number, but just to, to make sure that we weren't getting bids from plans that, um, you know, that were tiny plans and were not equipped to handle the, um, the operations of the city, but...

CHAIRPERSON MILLER: And, and all bids that were, were, were accepted met that criteria, correct?

DEPUTY COMMISSIONER LEVITT: Yes.

CHAIRPERSON MILLER: OK. And we're now gonna hear from Council Members Dinowitz, Louis, and Rosenthal.

COUNCIL MEMBER DINOWITZ: Thank you, Chair. I, um, thank you for being here and, of course, thank you, Chair, for recognizing me. Um, ah, I'm, I'm a little, ah, confused because, um, what you're saying today is just a lot different than what I'm hearing from my, ah, constituents. Um, so, you said this had, this, this plan has all of the same rights and protections as the previous plan and so I'm, I'm just confused as to why I have constituents emailing me saying that their doctors aren't accepting these plans. Can you, are you able to answer that?

COMMISSIONER CAMPION: Ah, yes. I [inaudible] answer for you, Chair, ah, Council Member. Um, so to the, um, we need to do, it's clear, that we need to do a better job in educating both, ah, the providers, the physicians and, and

other healthcare practitioners about what this plan is and what this plan is not. The Alliance and the city together, along with the MLC, um, are working together to make sure that we're providing, um, as much information on a regular basis, we're meeting daily...

COUNCIL MEMBER DINOWITZ: So let me pause there, and I don't mean to interrupt you.

COMMISSIONER CAMPION: OK.

COUNCIL MEMBER DINOWITZ: So I'm glad you're gonna do a better job. My, I, I just want to be respectful of everyone's time. And so I just, I, I'm then confused about the timeline of all this, right? In 2020, I just want, in 2020, sorry, to explore this option. But in 2014 that was when you did the cost savings. So why not in 2014 start looking at Medicare Advantage plans? I mean, am I getting this wrong? I mean, I mean, the, the unions be able to read would find these costs savings and this seems like a magical silver bullet, more services for 600 million dollars less every year, why wait to 2020 to find those savings?

COMMISSIONER CAMPION: So, Council Member, it's a good question. Um, so in 2014, 2014

was the first time that the city and the MLC had agreed to historic savings, ah, changes. It was total from 14 to, to, to, yeah, 17, ah, 18, sorry. Um, there were, ah, we, the parties agreed to 3.4 billion dollars in savings and those took, um, ah, ah, those savings were, were divided, were, um, decided, um, and took over, um, there was a significant amount of period of time to try and get to, to those savings. At that time, um, Medicare Advantage was not, I, I actually, I was here, ah, I was here in the Office of Labor Relations in a, in different capacity. Um, but we did not, ah, ah, actively discuss Medicare Advantage, um, Medicare Advantage Plan, um, ah, because the parties were sort of, had decided to talk about other avenues of savings. Um, when in, in 2020 when, when, um, the tripartite continued to meet to come up with savings, ah, to try and come up with ideas for savings, um, we dug down into the Medicare Advantage Plan, ah, aspect, um, and, um, started talking more, more, more earnestly about where the savings could come from and how it could, um, where the savings could be, how come, what would the savings could be, and, um, how, but we needed to make sure that the benefits didn't

change for the retirees and the issue about the doctors and what their, their, their access to the doctors did not change. That took a lot of time to really drill down to and to really come up with some kind of, um, ah, program that we were, that we and the MLC were comfortable with, um, to even proffer, to even put out as a procurement option.

COUNCIL MEMBER DINOWITZ: I guess, I guess what I'm trying to stay still about the timeline is understand how older adults and retirees feel and, and what I'm feeling from a lot of the emails and calls I'm getting is, ah, is fear, right, fear that the pension and rights, things like that are gonna be taken, not pension.

COMMISSIONER CAMPION: Right, right.

COUNCIL MEMBER DINOWITZ: But, you know, that's part of the pension. That's why we, you know, why we work so many years, right, and, and we know it's not supposed to be diminished or reduced, but that's how it feels when it feels suddenly out of the blue because as, as, um, the chair said, the retirees weren't represented. There didn't seem to be retiree input. Suddenly there's a new plan that what we know about Medicare Advantage Plans, privatize insurance,

physicians and doctors are telling patients that they, they're not going to be able to see them anymore, and that suddenly they have to decide by, I guess it was October 31, I know that's changed now.

COMMISSIONER CAMPION: Um-hmm.

COUNCIL MEMBER DINOWITZ: But that, but, but that's sort of the communication that's been happening, and that's why you have so many people very fearful of this and, and it's, it's hard to disagree with them. It's, it's hard to say that their fears are unwarranted because there hasn't been a two-way street of communication. And I, I just want to point out it keeps saying that the city, ah, the city's gonna save money, but it's really, you know, the city's interests, the city's interests, but the city's interests are its residents, right? And when the residents feel as thought the city needs to save money off of their backs, that's when we run into a lot of, a lot of problems. Um, and so, um, I, I, I sure hope these plans are better for cheaper. It sounds like magic. It sounds great. Um, but that seriously has to be communicated to all of our retirees, because I haven't gotten a single, single email, single call saying that they're excited for

more benefits [laughter and applause]. I, I, please go ahead.

COMMISSIONER CAMPION: Oh, so if I could just respond on, on a few points.

COUNCIL MEMBER DINOWITZ: Yes, please.

COMMISSIONER CAMPION: Thank you. Um, number one, I want to say that we recognize, um, ah, the importance and the concerns that, that both active employees and retirees, um, have about health insurance. It is very personal. We understand that. It's very, very clear. Um, my office has gotten, um, um, large numbers of, of, of, ah, emails and phone calls, um, as well from, um, retirees who are afraid and who are concerned. Um, we, from the, from the very beginnings when, when we, um, when we, ah, were started talking about Medicare Advantage we did not have in the beginning prior to 2020, um, a plan or, ah, or a vendor in mind. There was gonna be an open procurement, ah, open competitive bid. We did not have those, those, um, ideas in mind. We wanted to make sure that the benefits were the same and that they would still maintain their doctors. So when we put it out to bid in, um, ah, the early part of, ah, in November of 2020, um, it was only at that point

where we, was when we got the bids, ah, responsive to, um, ah, the, responsive to the procurement request, that we'd be able to drill down and to, and to find out and make sure that what we were requiring in the bid, ah, to make sure that the benefits were the, were the same and, and/or better we would go forward, um, we didn't know it until, until we received those, until we received those responses, until the MLC and the city were satisfied that benefits would be the same or better. That was our requirement, the same or better. Um, we were not in a position at that time, um, to, to discuss openly with vendors or, or to discuss what a particular company or a vendor could, ah, could provide at that time. We understand that, um, the, ah, we have the judge's, ah, decision, ah, the recent decision from the judge from last week, um, asking for an implementation plan. Ah, we are, um, in the midst of, ah, preparing that response and submitting it to the judge. Um, it needs to be provided, ah, to the opposing side seven days before it goes to the judge, um, and then the judge will, will make their, make their decision, ah, will make his decision, um, on how we proceed forward.

COUNCIL MEMBER DINOWITZ: OK. I'll, I'll leave, I'll leave it there, Chair. Thank you.

COUNCIL MEMBER LOUIS: Thank you so much, Chair Miller. Thank you, Commissioner, and the whole panel for being here. Like my colleagues that are here, um, I'm just as concerned as them. I get the 100,000 emails from the constituents and I see, you know, you had a great testimony. It painted a really pretty picture. Thank you. Ah, that's not the reality here, 'cause while the committee comes together and creates this really beautiful picture, the reality is people feel disproportionately impacted by a decision that the [inaudible] is making. And in your testimony you shared there were 850,000 doctors that will be participate nationwide. So I wanted to know how many will currently be participating in the Alliance's network for New York? Like, do we have that number?

COMMISSIONER CAMPION: Ah, thank you, Council Member, for the question. Um, I'll defer to Claire to respond.

DEPUTY COMMISSIONER LEVITT: Sorry. Thank you. Um, we, we do have that information. In New York City there are about 37,000, um, Medicare

participating providers and about, um, 34,000 of them, um, are participating in, ah, in the Alliance plan.

COUNCIL MEMBER LOUIS: Thank you for that, 'cause also mentioned in the testimony, to just go back on your response, it also, it was also stated that the Alliance needs to educate doctors about participating. So I'm listening to these numbers and I'm also thinking about the testimony in educating providers. What does that look like if these providers decide that they don't want to participate? What happens to, what's the process after that?

DEPUTY COMMISSIONER LEVITT: Even if a doctor is not participating in the Alliance network, if they are participating in Medicare a retiree can go to that doctor and the doctor is still obligated to take the Medicare allowable amount. Um, so they really have access to every single doctor who participants in Medicare, as they did before in the Medicare supplemental plan.

COUNCIL MEMBER LOUIS: But doesn't that go against it goal that you're to create here with this plan?

DEPUTY COMMISSIONER LEVITT: It doesn't, it doesn't go against the goal of the plan because it, the goal of the plan is to provide equal benefits to the Senior Care Plan. But because it is through the Medicare Advantage structure, um, it has a federal subsidy. And that's where the savings is coming from. It's coming from the federal government paying, um, the Alliance to provide these benefits. So the doctors are obligated to take the Medicare allowable amount, whether they're in the Alliance network or not. Um, they're, they still have to take the Medicare allowable amount, and that's what the Alliance will pay them.

COUNCIL MEMBER LOUIS: OK. So if the city and the MLC fail to meet the targeted savings of the goal of 600 million for FY22, what would this cause? Would this cause out-of-pocket?

DEPUTY COMMISSIONER LEVITT: It's, it's important not to confuse the, ah, 600 million savings that was the health target for fiscal 21 of recurring savings with the 600 million that's being saved in the Medicare Advantage program. We had two rounds of health savings agreements with the Municipal Labor Committee, one in, um, for fiscal 15 through 18,

during we saved 3.4 billion dollars, um, exclusively on the coverage for the actives, and then we had another 1.1 billion dollar target, um, for the fiscal 19 through fiscal 21 period, and it's just coincidence that the requirement was that 600 million of it be in fiscal 21 and be recurring savings. It's, it's, it's confused a lot of people because they think that the 600 million that we're talking about saving from the, um, from the Medicare Advantage Plan is the same as the savings target, and it's not. This is something that's totally separate. There will be 600 million, 600 million recurring savings for the, um, fiscal 21 health savings targets. This 600 million that the city will save through Medicare Advantage is not actually budget savings. Um, it's actually going to be, um, it's going to be allocated to the Health Insurance Stabilization Fund, which pays for other benefits for actives and retirees. So it's not actually city savings. We are saving the money, but the money is being redirected back to, um, back to active employees and retirees through the stabilization fund.

COMMISSIONER CAMPION: Yeah, I think we can provide some more clarity about the 600 million.

COUNCIL MEMBER LOUIS: I think, but I think that's the problem, right? No one understands that. And you need to communicate, that needs to be communicated better, because that's what people are asking for. They're asking for clarity, they're asking for communication, and more information. I have a bunch of questions, but I'm going to just ask one last one, and this is, um, regarding the actual representation of the committee, because people feel that it's not equitable. I wanted to know if at some point retirees would be considered to participate on the panel and the committee. That's my last question. Thank you.

COMMISSIONER CAMPION: So thank you for the question. Um, um, let me say that the responsibility of the healthcare, ah, program, negotiations, is between the MLC and the city. That is the, that is the mandatory subjects of bargaining requirement. Um, I, um, I can't speak to, to, ah, the unions um, um, ah, they, they do an excellent job with that. Um, but on the city side, um, we have to

negotiate with the MLC directly. That's our, that's our, ah, that's our obligation.

COUNCIL MEMBER LOUIS: Just asking for consideration.

COMMISSIONER CAMPION: Yeah, I hear you.

COUNCIL MEMBER ROSENTHAL: Thank you. Just to follow up, yeah, first of all, thank you, Council Member Miller, ah, Chair Miller, for having this hearing. Um, my office has been also inundated with questions, so having an opportunity for a public discussion is incredibly helpful. I just want to follow up on Council Member Louis's last question, just describe, this is a description thing. So it's OLR and the Municipal Labor Committee and who's, who makes up the Municipal Labor Committee?

COMMISSIONER CAMPION: So the entire Municipal Labor Committee is an umbrella organization that encompasses over a hundred different, ah, public sector, um, labor unions. Um, it is an entity that, um, is responsible for negotiating the healthcare costs, the healthcare insurance program, um, and the principles on it, um, are, they have an executive board as well as the chair of the MLC, as long as each, and as well as each, representation of each of

the different unions who are members of the Municipal Labor Committee.

COUNCIL MEMBER ROSENTHAL: OK. I just, couple of quick questions before I try to understand, ah, what's happening here. I'm confused about the opt out date. I'm getting a lot. What is the opt out date?

COMMISSIONER CAMPION: So, Claire, could you explain?

DEPUTY COMMISSIONER LEVITT: Thank you for the question 'cause it is important in the context of the, um, of the litigation. Our original opt out date was set for October 31. That has been extended, um, it's been extended by the court and we don't have a final opt out date yet...

COUNCIL MEMBER ROSENTHAL: Right.

DEPUTY COMMISSIONER LEVITT: ...until we resubmit...

COUNCIL MEMBER ROSENTHAL: Let me ask you...

DEPUTY COMMISSIONER LEVITT: ...the plan to the court.

COUNCIL MEMBER ROSENTHAL: Let me ask you a question. What does it say on your website? [laughter and applause].

SERGEANT AT ARMS: Quiet on the floor.

DEPUTY COMMISSIONER LEVITT: It doesn't, it, it no longer says on our website...

COUNCIL MEMBER ROSENTHAL: Right. So your website says...

DEPUTY COMMISSIONER LEVITT: It no longer says on our website that's it's October 31.

COUNCIL MEMBER ROSENTHAL: Your website currently says, just to be clear, your website currently says the last date to opt out is October 31, 2021. Could I just ask you as a beginning to clear up, clear up communication. Can you please change that?

DEPUTY COMMISSIONER LEVITT: Yes, absolutely, or absoluter.

COMMISSIONER CAMPION: Hold on.

COUNCIL MEMBER ROSENTHAL: Like now.

COMMISSIONER CAMPION: Yes, Council Member Rosenthal, yes, we will look into that...

COUNCIL MEMBER ROSENTHAL: All right, that's great.

COMMISSIONER CAMPION: ...and clear that up with reference to the judge's decision.

COUNCIL MEMBER ROSENTHAL: So I understand that you have lawyers in your head, but you have people who are reading the website. Even saying subject to whatever law the judge says, is completely confusing to me and but what would not be confusing is a sentence that said it's been extended beyond October 31, we do not know it will be yet. Please log on every day to check. We will put in the date as soon as we know it. Or, even better, we will put in what the opt date, opt out date is at least a month prior to the date. Do you know what I mean? Like just try to use real words that people can, that resonate with people.

COMMISSIONER CAMPION: I understand, Council Member.

COUNCIL MEMBER ROSENTHAL: Thank you. Second question is about your phone number. Um, it's never, no one can get through to the phone number [applause], or what I should say is the, um, blessed few who get through the number, ah, ah, let's emphasize the word few, so you have to have a better system. They're just too, this is too big of a

change to just have one line that goes unanswered for all of the constituents. I mean, you just have floor members here who are begging you. You know, we represent, in some ways, all 51. No one's getting through the phone. And you have to come up with a better system. Do you think you should work with DoITT, maybe Commissioner Tisch? How can you come up with a better phone answering system?

COMMISSIONER CAMPION: So, so let me respond. Thank you for the question. Thank you for the comment. Um, the, the, the phone line for the Office of Labor Relations is one phone line. And that's...

COUNCIL MEMBER ROSENTHAL: Yep, and what number is that?

COMMISSIONER CAMPION: 306, I believe, 7660.

COUNCIL MEMBER ROSENTHAL: It's OK, I'm not playing gotcha, but I just want to know if it's one of the two that I'm looking at on my piece of paper.

COMMISSIONER CAMPION: I, I will confirm that number.

COUNCIL MEMBER ROSENTHAL: OK. The two I have on my piece of paper are for Medicare Advantage call the 833-325-1190.

COMMISSIONER CAMPION: Yes.

COUNCIL MEMBER ROSENTHAL: And that seems to be the only phone number for Medicare Advantage. The other phone number I have on my sheet of paper is to call for all OLR benefits, the phone number is 212-513-0470, and that number also seems to be perpetually busy. If there's a third number at some point you should announce it in this hearing. But the real question is three lines, two lines, it's just not enough.

COMMISSIONER CAMPION: I, I hear, I hear what you're saying Council Member. The, a lot, the number that starts with 833, that's the Alliance customer service number that was established once we determined the vendor, ah, and...

COUNCIL MEMBER ROSENTHAL: And who runs that phone number, phone line?

COMMISSIONER CAMPION: The Alliance.

COUNCIL MEMBER ROSENTHAL: And who is the Alliance? Right, I know on paper the answer, but whoever the Alliance is, it has fallen down on the

job. There's gotta be an individual, I mean, doesn't the Alliance, isn't the Alliance made up of, you know, the whole bunch of insurance companies but also the city to some degree?

COMMISSIONER CAMPION: No, the Alliance is, no, the city [inaudible] ...

COUNCIL MEMBER ROSENTHAL: The city has no...

COMMISSIONER CAMPION: ...is not part, it's not an organization...

COUNCIL MEMBER ROSENTHAL: OK. So who has authority to tell the Alliance to have more phone lines?

COMMISSIONER CAMPION: We can, yes, we will speak, we, the City of New York, can speak to the, will speak and make sure those are...

COUNCIL MEMBER ROSENTHAL: I mean is it a speak or a demand? I mean, 911, if the answering to 911 was like this, you know, it would not be good. But, I mean, you have 245,000 retirees, all of them are calling one number? How literally, I understand you're gonna go back and talk to them, but can you say it in a way that assures people that starting what day, you tell me, Monday, that they're, you can

call and get answers, can you put on there call this number or email, like we, I have in my office a list of a hundred names of people who we're allowed to send to, I don't want to say this too loud because Council Members Dinowitz and Miller and, and Louis might hear me, but we have a person OLR who we're supposed to send our hundred names to and they will reach back to those people. I mean, that's ridiculous, right? So when we can we expect there to be, the Alliance to have, to be able answer the phone and get back to someday within a day?

COMMISSIONER CAMPION: We will speak to the Alliance right after this hearing and talk to them and, and, and, ah, ah, tell them that there must be additional service that's provided.

COUNCIL MEMBER ROSENTHAL: Can you add this...

COMMISSIONER CAMPION: It may be additional phone numbers, it may be, I, I would have to talk to them, Council Member, um, to find out what our options are.

COUNCIL MEMBER ROSENTHAL: Can you make this part of the lawsuit so the judge orders that to happen? Can you make that part of your

implementation plan that there be sufficient people answering the line?

COMMISSIONER CAMPION: So the, the lawsuit was not, it was filed against us, so.

COUNCIL MEMBER ROSENTHAL: Right, but you are coming up with an implementation plan...

COMMISSIONER CAMPION: Yes.

COUNCIL MEMBER ROSENTHAL: ...and I would image as part of an implementation plan you would want...

COMMISSIONER CAMPION: Yes.

COUNCIL MEMBER ROSENTHAL: ...people to be able to get information.

COMMISSIONER CAMPION: Correct, yes. Yes, we can do that, yes.

COUNCIL MEMBER ROSENTHAL: When, ah, will the public, ah, be able to see the implementation plan?

COMMISSIONER CAMPION: The implementation plan has to go first to the opposing side.

COUNCIL MEMBER ROSENTHAL: I know, no, I know, you said all this.

COMMISSIONER CAMPION: OK. Ah, and when...

COUNCIL MEMBER ROSENTHAL: Is it a month, a year?

COMMISSIONER CAMPION: ...when the judge, when the judge makes the decision. I have no control over the judge how...

COUNCIL MEMBER ROSENTHAL: Has the judge set a deadline?

COMMISSIONER CAMPION: They have not.

COUNCIL MEMBER ROSENTHAL: Oh, wow. OK. So then last set of questions, unless you want me to come back around, too, are just about the numbers. OK. Just real quickly because I, I think I understood the answer you gave to Council Member Dinowitz, but I'm not sure. So between 2015 and 2018 you found ways for 3.5 billion of savings. Is that 3.5 billion annually and is it ongoing, or were they one-shots?

COMMISSIONER CAMPION: It was a total over the period of 14 to 18. Ah, it was 300 million the first year, 600 million the second year, a billion the third year, and 1.3 billion the last year.

COUNCIL MEMBER ROSENTHAL: And in those savings, are those ongoing or are those one-shots.

COMMISSIONER CAMPION: No. The outgoing was 1.3 billion, ah, from that agreement.

COUNCIL MEMBER ROSENTHAL: Got it. 1.3 is baselined.

COMMISSIONER CAMPION: Yes.

COUNCIL MEMBER ROSENTHAL: And what is that comprised of? That's not the $15 co-pay thing, is it?

COMMISSIONER CAMPION: So, um, so Claire could you go through some of the details of what [inaudible].

COUNCIL MEMBER ROSENTHAL: You know what I'm going to ask you to do, because we have a time limit, we have people who want to testify.

COMMISSIONER CAMPION: Um-hmm.

COUNCIL MEMBER ROSENTHAL: I think the public is owed an answer for that. So maybe just a one-pager that you could put on your website or send over to the [inaudible].

FIRST DEPUTY DIRECTOR GODINER: Council Member, I believe that's in the, ah, the report that, that OLR has posted from this, this would go back to probably 2019, it's still on their website.

COUNCIL MEMBER ROSENTHAL: On OMB's website?

COMMISSIONER CAMPION: No, on OLR's.

FIRST DEPUTY DIRECTOR GODINER: On OLR's.

DEPUTY COMMISSIONER LEVITT: It's on OLR's website.

COUNCIL MEMBER ROSENTHAL: OLR, and I'm sorry, what's the name of the report?

FIRST DEPUTY DIRECTOR GODINER: [inaudible].

COMMISSIONER CAMPION: Healthcare Cost Savings.

COUNCIL MEMBER ROSENTHAL: I'm sorry.

COMMISSIONER CAMPION: Healthcare Cost Savings.

COUNCIL MEMBER ROSENTHAL: Healthcare Cost Savings, OK, great. And that report, someone up in the balcony I know is looking it up right now and you'll text me to tell me whether or not it's up there. Um, and then 2018 to 21 there was a second goal of an additional 1.1?

UNIDENTIFIED: That's correct.

UNIDENTIFIED: No, wait, that, there was a total.

UNIDENTIFIED: Hold on.

UNIDENTIFIED: Hold on.

COMMISSIONER CAMPION: There was in for the first year it was 200 million dollars. For the second year it was 300 million dollars and for the last year it is 600 million dollars. The outgoing from that agreement was 600 million dollars.

COUNCIL MEMBER ROSENTHAL: So the...

COMMISSIONER CAMPION: The 1.1, 1.3, plus the, plus the 600 million, for a total outgoing of 1.9 billion.

COUNCIL MEMBER ROSENTHAL: Yep. Close. Wait a minute. The, so the 200, no, I lost you.

COMMISSIONER CAMPION: OK.

COUNCIL MEMBER ROSENTHAL: I'm sorry.

COMMISSIONER CAMPION: 200 million the first year.

COUNCIL MEMBER ROSENTHAL: So the 200 and 300 millions were one-shots. But there was an element that was 600 million that's ongoing?

COMMISSIONER CAMPION: So, so it's not as much as it's a one-shot as it is a growing period of time. So we, we, the agreement is that we would come up with 200 million dollars in savings the first

year. We would come up 300, additional 300 million the second year.

COUNCIL MEMBER ROSENTHAL: So the 200 is ongoing, plus another 300, plus another 600, but it starts in different years?

FIRST DEPUTY DIRECTOR GODINER: The idea is that's is 200 in total savings in the first year, 300 total in, in the next year, and 600 [inaudible].

COUNCIL MEMBER ROSENTHAL: Help with the baseline.

FIRST DEPUTY DIRECTOR GODINER: The baseline is 600, right, so 600 going out from that one, 1.3 going out for the old one, that's the 1.9.

COUNCIL MEMBER ROSENTHAL: Right, OK. So the 200 was the not baselined.

FIRST DEPUTY DIRECTOR GODINER: It's, it's not baselined. The reason that, that the confusion was we don't want to say it's one shot, because sometimes we would do a 200 million recurring...

COUNCIL MEMBER ROSENTHAL: [inaudible] I got you.

FIRST DEPUTY DIRECTOR GODINER: ...and then add a marginal hundred. Right.

COUNCIL MEMBER ROSENTHAL: Right. So net-net you have baseline savings of 1.9 billion.

FIRST DEPUTY DIRECTOR GODINER: That's correct.

COUNCIL MEMBER ROSENTHAL: OK. And that would show up starting hypothetically in 2021.

FIRST DEPUTY DIRECTOR GODINER: Yeah.

COUNCIL MEMBER ROSENTHAL: Yep. And can we find that in the same HC cost savings report?

COMMISSIONER CAMPION: It has not, it has not been posted yet.

COUNCIL MEMBER ROSENTHAL: OK.

COMMISSIONER CAMPION: Because the numbers have to still be finalized. But we are reaching the 1.1 billion. We are reaching the 600 million dollar recurring.

COUNCIL MEMBER ROSENTHAL: That's what you got. All right. And in the that 600 I think is the, something you mentioned in your testimony, the, ah, $15 co-pay on a bunch of benefits and stuff, right?

COMMISSIONER CAMPION: I'd have to, ah, defer to Claire.

COUNCIL MEMBER ROSENTHAL: That's all right. It was on page, um, let's see, um, on page four you start the conversation. Oh, here it is, on page seven, it says, you were talking about the timing of you didn't want to do right at the start of COVID, so, um, but these, there are gonna be co-pays to certain benefits, um, radiation, radiological, lab services, blah, blah. I think that sort of, part of the 600 million.

DEPUTY COMMISSIONER LEVITT: Um, no. Thank you for that question. I want to clarify that. Um, those $15 co-pays aren't going into effect until fiscal 22.

COUNCIL MEMBER ROSENTHAL: Yes, I understand.

DEPUTY COMMISSIONER LEVITT: So they are not part of the fiscal 19 through fiscal 21.

COUNCIL MEMBER ROSENTHAL: So they're not part of the, ah, 200 million?

DEPUTY COMMISSIONER LEVITT: They're not. They're not.

COUNCIL MEMBER ROSENTHAL: Oh dear. OK, what's the total value of those, of all those co-

pays? What's the savings that'll start in January 22.

DEPUTY COMMISSIONER LEVITT: I'm sorry. I can get you, I can get you an answer to that, but I don't know it offhand.

COUNCIL MEMBER ROSENTHAL: So I think this is the heart of the confusion. So we need to understand what that is. Is that the one that is remarkably the same number as the 600 million? No, I think we already talked about that, right, and we already talked about that as being part of the 1.9. Now there's an additional chunk of change that will occur because of the $15 co-pays on a variety of services. That piece I don't think we've talked about. But it starts in, I don't think it's in your testimony, but it starts January 2022 at the same time that the Medicare Advantage program starts. I'm just describing. And they're running on two separate planes, right, parallel, they're not the same, it would have happened anyone. But I think people are getting that piece confused with Medicare Advantage because, right, you could see how...

UNIDENTIFIED: Right.

COUNCIL MEMBER ROSENTHAL: ... we're adding co-pays, we're doing Medicare Advantage, there's gonna be 600 million, which is, it's always true at OMB, there's one number that's the same number for everything, it's really frustrating.

UNIDENTIFIED: It's ironic.

COUNCIL MEMBER ROSENTHAL: In my years it was 80 million, but now it's like 600 million. But so, so the savings you're getting by drawing down more federal dollars through the Advantage program is 600 million. There will be no effect on retirees. At the same time, you have an additional savings plan that you're rolling out that includes $15 co-pays for some things. Is that accurate?

COMMISSIONER CAMPION: It's, that, Council Member, if I could. That was, it is not, the 600 million dollars is going into the stabilization fund...

COUNCIL MEMBER ROSENTHAL: Yes, no, I understand, separate and apart.

COMMISSIONER CAMPION: ...[inaudible] actives and retirees.

COUNCIL MEMBER ROSENTHAL: Correct. But am I correct about, there's an additional savings

above and beyond the 1.9 billion that has been baselined that is comprised of $15 co-pays that is going to be implemented.

DEPUTY COMMISSIONER LEVITT: It's actually rolled into 600 million, but it's a very small...

COUNCIL MEMBER ROSENTHAL: Which 600?

DEPUTY COMMISSIONER LEVITT: ...[inaudible] 600 million.

COUNCIL MEMBER ROSENTHAL: Which one?

DEPUTY COMMISSIONER LEVITT: The 600 million Medicare Advantage savings.

COUNCIL MEMBER ROSENTHAL: Yeah, now you lost me. I'm sorry, and I'm going to cede back, but I really thought I understood it.

CHAIRPERSON MILLER: Thank you, Council Member.

COUNCIL MEMBER ROSENTHAL: And it's, if I can't understand, seriously, I think we have some problems. I'm not that smart, but I don't get.

FIRST DEPUTY DIRECTOR GODINER: We, we'll provide you with a breakdown of the, of the piece of 600 million [inaudible].

CHAIRPERSON MILLER: Thank you, Council Member. OK, so.

FIRST DEPUTY DIRECTOR GODINER: We'll, we'll be happy to provide you with a breakdown of a portion of the 600 that's, ah, ah, for these co-pays. It's a small portion.

CHAIRPERSON MILLER: OK. I, I can appreciate that.

COUNCIL MEMBER ROSENTHAL: Right, but I don't know if it's part of your 1.9.

FIRST DEPUTY DIRECTOR GODINER: So [inaudible] it does not relate to the 1.9.

COUNCIL MEMBER ROSENTHAL: Sorry, Chair.

CHAIRPERSON MILLER: So let's, let's just stay on savings for, for a moment and, and how, how much do we intend, what's gonna be the cost per individual or individual family do, do we expect to pay, ah, under the new plan?

COMMISSIONER CAMPION: The employee isn't paying anything. The retiree is not paying anything.

CHAIRPERSON MILLER: No, what is the cost going to be?

FIRST DEPUTY DIRECTOR GODINER: There's a [inaudible], ah, premium of about $7 per member per

month, ah, in the first year and after that plan is zero premium to the city.

CHAIRPERSON MILLER: Is what it's, it's costing?

FIRST DEPUTY DIRECTOR GODINER: There is no, there, the city is not charged a premium after the first year. And that rate is guaranteed for, Claire, how many years?

CHAIRPERSON MILLER: Comparably now, what, what's it cost in the city now?

FIRST DEPUTY DIRECTOR GODINER: $191 per member per month.

CHAIRPERSON MILLER: Per month. And...

FIRST DEPUTY DIRECTOR GODINER: About $2300, a ....

CHAIRPERSON MILLER: And therein lies at least a portion of the savings?

FIRST DEPUTY DIRECTOR GODINER: That's, that's basically the entirety of the savings.

CHAIRPERSON MILLER: OK. And then, um, I did want to talk about the, the prescription drugs, some of the co-pays or whatever. Before we get there, um, the emergency room co-pay. Ah, it came into effect some years back and it has increased over

the years. Ah, obviously it's worked as a deterrent to keep from, ah, visiting the emergency room where they could possibly visit an urgent care or, or their doctor. Um, how much savings have, have we seen by virtue of, ah, of, of this? Ah, and then are we tracking whether or not folks that are not visiting the emergency room, not necessarily also visiting the urgent care or their doctor, or considering that under this current plan the doctor maybe, you may have to wait two weeks for an appointment and, and ultimately not seeing the doctor and whether or not this is contributing to, you know, morbidity and, and, and preexisting conditions well by not seeing a doctor, by, what are the alternatives? And I know that there's, there's a wellness plan, um, how is the wellness plan being received? Ah, what is the enrollment in the wellness plan and, and, and what, how do we really, ah, quantify the savings, if any, in, in those plans because are the wellness plans, ah, the savings achieved by those enrolled in these plans, is that calculated in the savings? Because the implementation of wellness plans was, was part of the savings, overall saving plan, correct? And, and if that is the case, um, who's enrolled and what are

we actually seeing, and in fact are the, you know, the people who cannot visit hospitals are they being directed to these plans? How's that working? Because ultimately we're trying to provide health care. That's our primary, ah, goal here, and the best health care, ah, possible to all of our, um, workforce and particularly our retired workforce. So how do we know that is actually working? How do we, you know, are, are we documenting the people are seeing doctors when they can't afford to pay a $150 co-pay to go to the emergency room?

DEPUTY COMMISSIONER LEVITT: I'll take that. No, thank you. There, there were a number of questions in there and they were all great questions. Um, we, you know, we, we were really more prepared today to talk about the Medicare Advantage Plan and the original Healthcare Savings Plan, but I'm happy to talk about that program. Um, the, the emergency room co-pay for the retirees has not changed and I should point that out that in the Medicare Advantage Plan it stays the same as what it was. So it, it's not a change there. One of the major changes that we did make to the actives plan as part of the fiscal 15 through fiscal 18 round of savings was to increase,

um, to increase the co-pays for emergency room, um, and, and decrease the co-pays for, ah, for primary care. We were looking to get people to go more to primary care, um, than to the emergency room and looking for them to go to urgent care as opposed to the, um, as opposed to the emergency room. And it had a tremendous impact on the plan. Um, it really resulted in a great deal of savings, um, diverting people away from the emergency room to urgent care. We saw an uptick in, ah, in primary care visits. We saw an uptick in urgent care visits. And it resulted in a lot of the savings that we reported previously.

CHAIRPERSON MILLER: So, again, um, have we actually documented the primary care visits as they relate to the, the, ah, lack of emergency room visits? Is there a correlation between the two?

DEPUTY COMMISSIONER LEVITT: There is, there is, and we did report on that, um, when we reported on, ah, on, ah, this is the end of the fiscal 53 team period. There is documentation on that that was, um, shared with the committee at that time and I can certainly resend that out, um, so the people are aware of the impact that we hand.

CHAIRPERSON MILLER: So, and, and I'm sure that budget probably reflects the budgetary and financial savings.

DEPUTY COMMISSIONER LEVITT: It did.

CHAIRPERSON MILLER: Um, but, again, we're here to discuss health care and is, is, was there a report that says that ultimately people are better served in terms of access to health care because they are going to urgent care or primary care or enrolled in preventive care, um, because of these changes?

DEPUTY COMMISSIONER LEVITT: You know, the emergency room is not the best place to go if you're not having a, a true emergency, not just for cost reasons, but to get the right type of care. Um, you know, first and foremost we want, we want our employees and our retirees to have the best access to care that there is. Um, and going to the emergency room is, is not the best access to care. Having a primary care physician that's following you and, and, um, and identifying the best treatment for you is probably the best care that you can get.

CHAIRPERSON MILLER: Of course.

DEPUTY COMMISSIONER LEVITT: Of course there are emergencies where people have to access the emergency room.

CHAIRPERSON MILLER: Are those reports available that, that, the data available that we can see the increase in, in primary care visits and/or, ah, urgent care visits and, and, and the reporting data that, that demonstrates the correlation between healthier, ah, members and these visits?

DEPUTY COMMISSIONER LEVITT: Ah, there was. A, a great deal of that data was reported at the end of the fiscal 18 period. Um, I don't know that we're able to demonstrate if the overall health of the population is different. Of course it's a changing population from, you know, among our [inaudible]...

CHAIRPERSON MILLER: OK, 'cause I'll you that's our goal, to keep people healthy.

DEPUTY COMMISSIONER LEVITT: ... and also, yes.

CHAIRPERSON MILLER: So let us, ah, move on. So when we talk about the roll out, um, what information had been received, ah, or what kind of correspondence was, was given to, ah, the

prospective, ah, retirees, ah, in relationship to the, ah, new Medicare Advantage Plus Plan? What the mailer, what, what did that look like?

COMMISSIONER CAMPION: So in your packet, if we could refer to your packet.

CHAIRPERSON MILLER: Correct.

DEPUTY COMMISSIONER LEVITT: This is a 40-page guide that, um, was sent to, that was sent to everybody in September in the beginning, ah, in September and the beginning of October that really goes through all of the details of the plan, um, including all the new benefits that we talked about, um, including all their rights under Medicare. There's a great deal of detail in here, um, but it is, and it's really written very, very simply...

CHAIRPERSON MILLER: And what, what confirmation do we have that this was received? So I want to thank you first of all, um, Office of Labor Relations, for working with my office to help facilitate a few, ah, um, forums around this. Um, but unfortunately, ah, in late September when we had the first forum the majority of the folks in the room had not received this as of yet. Um, and the people who had received it were the ones that were living

outside of the catchment, the tradition catchment area of the 28-32 counties here in New York and the people outside, um, were the ones who received it. So, ah, do we know that people have now received and, and then of course my concern was, number one, was the small window of, of October...

UNIDENTIFIED: 31st.

UNIDENTIFIED: 31st.

CHAIRPERSON MILLER: 31st.

UNIDENTIFIED: Yes.

CHAIRPERSON MILLER: Right. And, number one, and number two, that October 7, ah, began open, October 15 began open enrollment for the rest of the world. And, and I kind of was helpful that this would happen and be out of the way before people were inundated with all of the other stuff and not be confused by, as I said, the Joe Namath and, and, you know, the rest of the world that are selling new Medicare Advantage products.

UNIDENTIFIED: Right.

CHAIRPERSON MILLER: Um, that obviously didn't happen. So would this, would be, I guess equivalent to a, a summary plan, right, ah, that would be distributed to, ah, policy holders,

describing benefits. Is, is there a, a physician's guide as well that is available?

DEPUTY COMMISSIONER LEVITT: A physician's guide, is that what you said?

CHAIRPERSON MILLER: Yeah, to let you know what physicians actually participate in the plan?

COMMISSIONER CAMPION: The information that, oh, oh, I see what you're saying.

DEPUTY COMMISSIONER LEVITT: Um, the Alliance is working on communicating now to physicians. There's a mailing that's going to go out, um, that I think is, is, um, actually much clearer than the original, um, mailing that they sent. Um, they are also, um, just this morning they had one of their, um, one of their webinars for, for physicians that they held with the New York State Medical Society. Um, so they are working diligently at getting the word out to providers, how this plan is different from, say, the Joe Namath plan, um, of, of Medicare Advantage.

CHAIRPERSON MILLER: So I, I personally don't find this as complicated as we're making it, ah, for, for, ah, ah, a number of reasons. But I,

you know, I, providers change often. Sometimes it's just a supplemental provider and you go to the pharmacy and they say hey, I need your new card, and you say what new card, they say, no, we, you know, you have a new plan.

UNIDENTIFIED: Um-hmm.

CHAIRPERSON MILLER: And, and sometimes I don't know that there's a new plan and I haven't checked my mail and saw that I received a new card and the old provider of the drug plan is, is no longer with us. And those, those are things that happen. This is far more, ah, that, the, the, um, the consequences are far greater here. So we have to make sure that, ah, people are fully understanding, ah, that there, that number one, that there is a new benefit that you have to act within a certain timeframe. What, what happens if you, like you said you're automatically enrolled.

DEPUTY COMMISSIONER LEVITT: That's correct.

CHAIRPERSON MILLER: Um, and there's ramifications, right, that when you sign up someone you have to make sure that, that all of their doctors are, are accepting, all of their doctors are within

this network, right? And there's a number of things that happen, right, because seniors have multiple doctors.

COMMISSIONER CAMPION: Sure.

CHAIRPERSON MILLER: Right? And, and two of them might be in the network, but four of them may be outside. How, how do they access that information that they can make an intelligent decision about should I stay, or should I move on with this better plan?

COMMISSIONER CAMPION: Right. So to, to start, let me, let me start by saying that it doesn't matter if the, if the retiree's doctor is in network or out of network. If they accept Medicare they are covered. They will be paid the Medicare rate.

CHAIRPERSON MILLER: And will there be any additional costs, out-of-network costs?

FIRST DEPUTY DIRECTOR GODINER: No.

COMMISSIONER CAMPION: Just, just in terms of the schedule of benefits and the, and that are, that are in the listing, that are in the booklet as well as in the listing of what the [inaudible]...

CHAIRPERSON MILLER: So potentially, potentially someone who's in network now where

there's no fee there could potentially be a fee for the same doctor?

DEPUTY COMMISSIONER LEVITT: No.

CHAIRPERSON MILLER: Under the new plan?

COMMISSIONER CAMPION: There's a co-pay, there's co-pays.

DEPUTY COMMISSIONER LEVITT: The, the co-pays, the $15 co-pays apply in the current plan and they apply in the Medicare Advantage plan. Other than that, there's no difference between, um, between what the member is paying, whether they go to an in-network doctor or an out-of-network doctor. It's, it's the same.

CHAIRPERSON MILLER: So you're saying simply long as the doctor accepts Medicare the fee schedule is the same?

UNIDENTIFIED: That's correct, the Medicare fee schedule is the same, yes.

FIRST DEPUTY DIRECTOR GODINER: And the same fee schedule would apply...

CHAIRPERSON MILLER: Is there something that binds them to...

FIRST DEPUTY DIRECTOR GODINER: ...if they stay in their current plan as well.

CHAIRPERSON MILLER: Is, is there something that binds them to this particular plan that, that they have to accept the, ah, current, ah...

DEPUTY COMMISSIONER LEVITT: An, an in-network...

CHAIRPERSON MILLER: ...Emblem, Empire, Medicare Advantage plan?

DEPUTY COMMISSIONER LEVITT: An in-network doctor has a contract signed with either Emblem Health or Empire Blue Cross or Anthem, which is the national, um, Blue Cross plan. An out-of-network doctor is obligated by the fact that they are a participating Medicare provider and so that obligates them to take the Medicare allowable fee for anybody that they treat.

CHAIRPERSON MILLER: And, and, and is that the same as the in-network and if there's a difference who's the, who's responsible for the difference?

DEPUTY COMMISSIONER LEVITT: There, there is no difference. There is no difference. The only, the, the only, ah, co-pay would be the $15 co-pay. They can't be, they can't balance bill the patient,

um, more than the Medicare allowable fee, whether they're in network or they're out of network.

CHAIRPERSON MILLER: OK. OK. And, and, and finally on, on the roll out could you talk about what you can say that you potentially can do better or differently, um, to get this information out to retirees so that they can, um, so that we can expedite this and, and is it goal, you know, to roll this out by January 1?

COMMISSIONER CAMPION: Subject to it, it, ah, the, it depends on the judge's decision. The judge, he's going to decided. We're gonna submit the implementation plan. The judge will make that decision and based on what the judge says we will act accordingly.

CHAIRPERSON MILLER: Are there implications for not rolling out January 1?

COMMISSIONER CAMPION: If it doesn't roll out January 1 ...

CHAIRPERSON MILLER: Is that, is that gonna, is that gonna...

COMMISSIONER CAMPION: ...it's just another effective date. It's just another, the, the

600 million dollars starts in whatever, at whatever point it starts. That will be the 600...

CHAIRPERSON MILLER: So that doesn't mitigate the savings at all? It won't mitigate the savings...

COMMISSIONER CAMPION: Not, not, there will be a delay in the savings, a delay, because if it hasn't started we, there's no savings.

CHAIRPERSON MILLER: So if you start it in March do you prorate that and, and not $600,000? It then becomes...

FIRST DEPUTY DIRECTOR GODINER: Roughly speaking it's, ah, easy to think of it as, as 50 million dollars a month.

CHAIRPERSON MILLER: OK.

FIRST DEPUTY DIRECTOR GODINER: Right? Every month we delay it was 50 million dollars we spent without putting it back.

CHAIRPERSON MILLER: OK. That makes sense.

COMMISSIONER CAMPION: Council Member, if I, if I could say, we are available to meet and, and work with each of your office to schedule education

sessions, the webinars, um, to have people live to answer questions. What we'll do is...

CHAIRPERSON MILLER: We've been very proactive. You know my office and, and your office has been very responsive and I'm, and I'm thankful for that. And, and, and here today we're just trying to, um, get information out, right, because we were trying to create a forum where what we know is, is that the senior population that, you know, that they get their information in person. There's the churches, mosques, synagogues, and senior centers that, that don't necessarily have access to today. Um, so how do we do that now? We have to be a little more creative and, and this robust online presence doesn't really cut it with this population, and so, yes, I've, I've implored my colleagues to kind of follow our lead in, in doing various forms and pulling together wherever we can, pull together people safely and, and do so. But this is, is, is really important. But I also want to say to everybody that's here and everyone who's watching that, um, at least from our perspective, MLC and Office of Labor Relations have been very accommodating in, um, helping us to get this

information out, no matter what is. Um, we've asked, um, you've delivered, even provided, ah, providers to come out and, um, and, ah, facilitate the meetings. How do we do that on a broader basis? Question.

COMMISSIONER CAMPION: Just hold for one second.

CHAIRPERSON MILLER: Yeah.

DEPUTY COMMISSIONER LEVITT: Let me just answer by saying that getting, getting retires to understand the program is, is paramount to us and paramount to the Alliance. They have held so far, ah, I think it's 77 webinars that have been attended by 38,000 retirees. We're gonna continue to do that, and anyone that wants to see a recording of one of the webinars can ask us that through the OLR website or the Alliance website. So you don't actually, you can sign up for the webinars if you want to do a live webinar, during which there is a question and answer session during those live webinars, but if you just want to go online and see the webinar you can do that as well.

CHAIRPERSON MILLER: Are there any in-person opportunities?

DEPUTY COMMISSIONER LEVITT: We haven't done in-person opportunities, um, really mostly because of, of COVID. I, I think there's been a reluctance both, both on the part of retirees and, and the part of, of staff.

CHAIRPERSON MILLER: OK. So let me just say my, my mom is 89 and she's, she's savvy. But she's not webinar savvy, right, and, and so that's the, the point. How, how do we do that? How, how do we and, and we've done our part. We've, we've been safe, um, we've social distanced, we, you know, clearly are, you know, the majority of our seniors are, are vaccinated and, and so we've been able to do that. How do we, you know, like, 'cause if we're not reaching critical mass, you know, and, and not reaching our target, our full target audience, what, what are we doing?

DEPUTY COMMISSIONER LEVITT: We'll take it back and we'll, we'll talk about whether, you know, you know, um, in-person, ah, in-person, ah, seminars when this would be more effective than, um, than our, ah, our online webinars. We've had great success with the online webinars, but it's true that it's not for everybody and, you know, we want to

reach, we want to reach everybody and the, the way that's most comfortable for them.

CHAIRPERSON MILLER: OK. And, and then the opt out, ah, and folks, folks have to opt out, ah, in order, or otherwise they are automatically enrolled and, and how did we reach the 191 figure?

COMMISSIONER CAMPION: That's the cost of the premium. That's the current cost of the premium.

CHAIRPERSON MILLER: That's the current cost of the premium.

COMMISSIONER CAMPION: To the City of New York.

CHAIRPERSON MILLER: OK.

UNIDENTIFIED: Anybody. That's what it costs on the open market, $191, I can go right now...

CHAIRPERSON MILLER: OK [gavel] OK.

UNIDENTIFIED: ...[inaudible] buy it for $191.

CHAIRPERSON MILLER: [gavel]

DEPUTY COMMISSIONER LEVITT: The Senior Care Plan is not a plan that's on the open market.

UNIDENTIFIED: It's a, it's a...

CHAIRPERSON MILLER: How many... [gavel] Ma'am, please. Do we know how many folks are, are, have currently opted out?

COMMISSIONER CAMPION: I'm sorry, say that again? Ah, can you repeat the question, Chair?

CHAIRPERSON MILLER: Currently, before the litigation.

DEPUTY COMMISSIONER LEVITT: Um, we, we, we do know that, ah, 8.9% of retirees have opted out. I think that number was as of yesterday, so it's very current.

CHAIRPERSON MILLER: What it is, 23,000?

COMMISSIONER CAMPION: I'm sorry?

CHAIRPERSON MILLER: Was that 22,000, 23,000?

DEPUTY COMMISSIONER LEVITT: Yep, that's correct.

UNIDENTIFIED: But some of us haven't opted out yet.

SERGEANT AT ARMS: Quiet.

CHAIRPERSON MILLER: OK, if, ah, I would suspect that we get to ask members of the public that are here whether or not that they were kind of waiting on additional information in order to do that

and, and how valuable they found this information here today, and that's, that's really why we're here, to assure people that, that we have their best interest at, at hand and that folks are really paying attention in this oversight and that, um, the intention is to provide the best benefit as seamlessly and as efficiently as possible. Um, and I know that Council Member, ah, Rosenthal, who is our contracts chair, ah, has a question, for sure.

COUNCIL MEMBER ROSENTHAL: Ah, Chair Miller, I, I may have two questions. Um, I hope that's OK. So, um, actually, ah, um, First Deputy Director Godiner, if you could just send us over afterwards the number that is the dollar amount the city would pay pre-Medicare Advantage and then what we would pay in the Medicare Advantage Plan, so we can just understand that difference a little bit?

FIRST DEPUTY DIRECTOR GODINER: Absolutely.

COUNCIL MEMBER ROSENTHAL: That'd be great.

FIRST DEPUTY DIRECTOR GODINER: I'm sorry, you're saying the premium?

COUNCIL MEMBER ROSENTHAL: Yeah.

FIRST DEPUTY DIRECTOR GODINER: OK. , I mean, it's, yeah, sure, I'll send it.

COUNCIL MEMBER ROSENTHAL: Thank you. Um, but now I'm just a little bit curious about this opt out business. What, why would somebody opt out? I mean, as I understand what you've given us today I'm ready to not opt out. Um, but why would somebody choose to opt out, do you think?

FIRST DEPUTY DIRECTOR GODINER: We, we are advising people not to opt out.

COUNCIL MEMBER ROSENTHAL: No, no, that's not my question.

FIRST DEPUTY DIRECTOR GODINER: Ah, we see that, we know, we think it's a better choice to make.

COUNCIL MEMBER ROSENTHAL: Yep.

FIRST DEPUTY DIRECTOR GODINER: Um, and that the, the benefits are as good or better, right, and, and you don't have to pay the premium.

COUNCIL MEMBER ROSENTHAL: Yeah, no, I, First Deputy, um, Budget Director, that's how I feel after this hearing. I get that.

FIRST DEPUTY DIRECTOR GODINER: I'm glad.

COUNCIL MEMBER ROSENTHAL: Um, my confusion is around why would somebody think they should opt out, right, 'cause 23,000 people have, and then my question would be if they shouldn't have opted out because now we understand that the Medicare Advantage Plan is not a problem, won't increase costs to individual retirees, will the people who opted out be able to get back in, right?

UNIDENTIFIED: Yes.

UNIDENTIFIED: Yes.

COUNCIL MEMBER ROSENTHAL: So it's all just very confusing. Do you understand why I say that?

UNIDENTIFIED: Yes, yes.

UNIDENTIFIED: Yes. We...

COUNCIL MEMBER ROSENTHAL: And even the idea, you know, some people are saying we were told not to opt out so we're waiting. I just, it's a jumble in my head. Do you know what I mean? Is there a way to clarify all this?

COMMISSIONER CAMPION: Yes. We will clarify that, yes.

COUNCIL MEMBER ROSENTHAL: And let folks know. I mean, what I'm hearing, I'm just gonna say

it one more time 'cause for the record. What I'm hearing is the Medicare Advantage program is, will not result in any additional costs to retirees, and they will get the exact same service via Medicare. Am, am I hearing that accurately.

DEPUTY COMMISSIONER LEVITT: Ah, you are hearing that accurately.

COUNCIL MEMBER ROSENTHAL: OK. So, listen, I'm not gonna make a big deal of it, but it is noteworthy that there are people in the audience shouting no, and it would be helpful to help everyone feel as confident as you do. Um, I, I think it would benefit a lot of people.

DEPUTY COMMISSIONER LEVITT: We will make every effort to, um, to improve the communication about the plan and make sure that everybody has an option to either opt out or if they've opted out and realize that that was a mistake they can opt back into the Medicare Advantage Plan.

COUNCIL MEMBER ROSENTHAL: Yeah, and guess, just as the last follow-up, if you could understand this question of why would somebody want to opt out, what is it that they thought would

happen, right? So I think you gotta a tough road ahead. But thank you.

CHAIRPERSON MILLER: Thank you, Council Member.

COUNCIL MEMBER ROSENTHAL: Thank you for your time.

CHAIRPERSON MILLER: Thank you. And just as a matter of clarification, under current Medicare rules, when you opt out of, of your, your traditional plan, a union plan, a city plan, you don't get to opt back in, ever.

COMMISSIONER CAMPION: There, there's a yearly...

CHAIRPERSON MILLER: No, it's not on.

COMMISSIONER CAMPION: OK.

CHAIRPERSON MILLER: If you opt out this year, next year you can't get back in.

COMMISSIONER CAMPION: For our original Medicare?

CHAIRPERSON MILLER: So now you're saying for those people who opted out that there's, there's a provision that's going to allow them back in?

DEPUTY COMMISSIONER LEVITT: That's right. There will be an open enrollment every year and they can opt back, they can, they can opt...

CHAIRPERSON MILLER: So every year they will be able to...

DEPUTY COMMISSIONER LEVITT: They will be able to choose every year between Senior Care, which is a Medicare supplemental plan, and the Medicare Advantage Plan.

CHAIRPERSON MILLER: Just [inaudible].

COMMISSIONER CAMPION: Can you say that again?

CHAIRPERSON MILLER: So what I meant...

COMMISSIONER CAMPION: I misheard, I didn't hear it.

CHAIRPERSON MILLER: ...was if you opt out, if you opted out and went into a Medicare Advantage program, not necessarily this one, because this one didn't exist. Historically, if you opt out and you go into Medicare Advantage you cannot come back. You're say now if you opt out...

DEPUTY COMMISSIONER LEVITT: This is...

CHAIRPERSON MILLER: ...you can come back to Senior Care.

COMMISSIONER CAMPION: You can come back...

DEPUTY COMMISSIONER LEVITT: Yes, on our plan you can opt, you could opt back and forth annually between Medicare Advantage and Senior Care. If you take, if you decide you want to pay for Senior Care this year and next year you realize that that was...

CHAIRPERSON MILLER: What if you, what, what if you opted to another Medicare Advantage and not the Medicare Advantage Plus being administered...

COMMISSIONER CAMPION: With another vendor, with another vendor, another vendor.

CHAIRPERSON MILLER: Yes.

DEPUTY COMMISSIONER LEVITT: Why...

CHAIRPERSON MILLER: Will, will you allow them back in?

DEPUTY COMMISSIONER LEVITT: No, no. Can you, if, if you opt out of city coverage altogether?

CHAIRPERSON MILLER: Correct.

DEPUTY COMMISSIONER LEVITT: If you opt out of city coverage altogether, um, you would, you would also lose your Medicare Part B reimbursement.

CHAIRPERSON MILLER: Correct.

DEPUTY COMMISSIONER LEVITT: It would not be...

CHAIRPERSON MILLER: Correct.

DEPUTY COMMISSIONER LEVITT: ...ah, ah, it would not be a sensible, ah, it, it would not be a, a sensible decision for most people.

CHAIRPERSON MILLER: No, that, that, so this catastrophic whatever, would, would override that, but what I was saying was the reason why we wanted to have this done expeditiously so it did not overlap and that confusion happen, right...

DEPUTY COMMISSIONER LEVITT: Yes.

CHAIRPERSON MILLER: ...where people took advantage of one of the programs that happened during the open enrollment, ah, season and opted out, and then, you know, by accident ended up with some other vendor and then next year they couldn't get back in.

DEPUTY COMMISSIONER LEVITT: Yeah, I, I think we'd have to look at some of these on case-by-case basis. If people make mistakes, um, we're not, we're not looking to...

CHAIRPERSON MILLER: So, and, and what I, I just want to be clear about the timing of this and,

and that people are gonna be inundated with all of the different products that are Medicare Advantage products and if they inadvertently ended up in one that wasn't managed by the city and it wasn't Senior Care, would they be penalized permanently?

DEPUTY COMMISSIONER LEVITT: No. They would be able to opt back in.

CHAIRPERSON MILLER: OK.

DEPUTY COMMISSIONER LEVITT: We'll, we'll look at that and we will get you some, and we'll get you some clarification.

CHAIRPERSON MILLER: OK. So obviously we, we have, ah, a bunch of more questions and that we'll send them to the committee. We'll send them, and I will send them around to everybody on the committee and, ah, to the entire council so that I'm sure 51 members are being inundated with calls so that we can get it out to our constituencies and our respective news letters and so forth, and so that people will have the proper tools to make the decisions, um, about one of the most important decisions that they'll ever be making, and that is obviously on, on healthcare, which is what made this, ah, hearing so, ah, vitally important. I, I want to

thank you all for being here. I want to thank you for your continued partnership in, in this. You know, I've been, it appears that I'm busting chops, but this is what we do. This is that important. I also want to say to everybody here that I've an absolute proponent of, of, ah, an RFP around. I thought that that was weird, the real healthcare savings exists was within competent competition and I'm glad to see for the first time that we, we now, ah, have this. Um, and I hope that is the template as we move forward for not just retirees but the active. Um, that would not just, um, looking at savings, but we're looking at improving the healthcare quality and bringing on the, the, a, a much richer and larger and more qualified network. And, and, I, and I also am tired of saying retirees, after coming from Georgia and other places to come to New York City to visit a doctor. That's absolutely ridiculous. So a city with a, a million, ah, ah, nearly a million, um, members, ah, cannot leverage a, a national plan and, and hopefully this is the precursor to that for, for even those that are in the, ah, the pre-Medicare, ah, retirees as well. So, ah, thank you...

COMMISSIONER CAMPION: Thank you.

CHAIRPERSON MILLER: ...for joining us.

COMMISSIONER CAMPION: Thank you, Chair. Thank you, Committee.

CHAIRPERSON MILLER: And, ah, we will call our next panel.

FIRST DEPUTY DIRECTOR GODINER: Thank you.

CHAIRPERSON MILLER: Next up. Is Henry here?

COMMITTEE COUNSEL: So Henry [inaudible].

CHAIRPERSON MILLER: Is he here? I'll just, I'll call. Henry Garrido.

COMMITTEE COUNSEL: Yes, and then, um, Geof Sorkin.

CHAIRPERSON MILLER: And, ah, Geof Sorkin. Geof.

COMMITTEE COUNSEL: So we're gonna move to the next panel.

CHAIRPERSON MILLER: OK.

COMMITTEE COUNSEL: OK. Steve Cohen.

CHAIRPERSON MILLER: OK, so we will...

COMMITTEE COUNSEL: Oh, wait [inaudible].

CHAIRPERSON MILLER: Yeah, Geof.

COMMITTEE COUNSEL: Got it. He's from [inaudible].

CHAIRPERSON MILLER: From where?

COMMITTEE COUNSEL: UST.

CHAIRPERSON MILLER: OK. Anna Champeny, Citizens' Budget.

COMMITTEE COUNSEL: Jonathan Rosenberg.

CHAIRPERSON MILLER: Jonathan Rosenberg.

COMMITTEE COUNSEL: From Independent [inaudible].

CHAIRPERSON MILLER: From IOB.

COMMITTEE COUNSEL: Oh, he's here, I think, I think.

UNIDENTIFIED: I'm gonna give testimony.

COMMITTEE COUNSEL: Yeah, we're going through them right now, so we're calling up panelists, and if you hear your name please come up if we.

CHAIRPERSON MILLER: OK. Mr. Sorkin. You were the first up, so we will give you the mic. Please turn on the mic, introduce yourself, and thank you.

GEOFREY SORKIN: Thank you, Council Member. Good afternoon, everybody. My name is

Geofrey Sorkin. I am the executive director of the United Federation of Teachers' Welfare Fund. My organization provides health benefits to approximately 400,000 lives. That group includes in-service employees, represented by the UFT, retirees, and their dependents. I would note that I started my career as a teacher and rose up the ranks to where I am now. I have been employed by the UFT Welfare Fund and involved with health benefits for almost a dozen years. In my current position on a daily basis my focus has always been about provide high-quality health benefits that are easily accessible. I feel it is important to share with this group that I am a third generation UFT member. I have been covered by New York City health benefits my entire life. My mother, my stepfather, my father, and my mother-in-law are all retired UFT members on Medicare. Not only did I feel a strong professional obligation in my role with the creation of this new plan, it was very personal, too. This plan will be my plan when I turn Medicare eligible. I have been an active participation in the creation of the New York City Medicare Advantage Plus Plan process since its inception. The big question is why did we do this,

and I want to be very clear with my answer. The money that funds all city health benefits, the Stabilization Fund, is about to be depleted. It is about to dry up. If that happens it would be catastrophic. Together the leaders of the MLC and the city created this new plan that preserves and enhances what we have now. And it is entitled to massive federal subsidies. Personally, years from now, it is my belief that history will show that what we did was the right course of action. I firmly believe the new Medicare Advantage plan is a supporter health insurance that smarty preserves a robust benefits package that will protect our retirees well into the future. From my perspective, the only thing different with this new plan is that some procedures require prior authorization. I want to note our in-service members have had prior authorization for many years now. The New York City Medicare Advantage Plus Plan is high quality. It provides nationwide access to any doctor or facility that accepts Medicare coverage. It provides a protective annual maximum out-of-pocket on most procedures. Its drug coverage is identical to what presently exists under the current plan. It gives

worldwide emergency travel coverage. It provides new health and wellness problems, including meal delivery, fitness programs, transportation to medical visits, a 24/7 nurse line, and perhaps most importantly a formalized telehealth program called Live Health. We have all seen the value of telemedicine during the pandemic. The current GHI Senior Care Plan does not have a formalized telemedicine program. I would like to close on a vignette. Last week I visited my primary care physician for my annual physical. My physician is a prominent doctor associated with one of the biggest hospital networks in New York City. He knows that I am involved with health benefits and that I work for the Teachers' Union. He asked me if I knew anything about this new Medicare Advantage plan. He said he had several patients that are extremely concerned. I shared with him my involvement and he asked if he could fire off some questions. He asked me about prior authorization during emergency situations. I told him it didn't apply to emergencies. He asked me about his patients that live down in Florida during the winter and I shared with him that this plan is built on top of Empire's pre-existing national

network and there are many providers down in Florida. He asked me about the network size. I shared with him that there is a national network, may I please continue? Thank you. I shared with him that there is a national network of 650,000 doctors and that this new plan operated like a PPO and would grant access to any doctor or facility that accepts Medicare coverage. He asked me how is it possible that a plan could be this rich with benefits and save money? And I told him being that it's a Medicare Advantage plan New York City would now be eligible for federal Medicare Part C subsidies. He told me it sounded like a good plan. I looked him and I told him we worked very hard on this. The following morning I received an email from him with my physical results. I'm not gonna share that with all of you, but I also want to mention that in the email he thanked for my insight. He told me had already been in contact with his patients that had concerns and he had advised them to take the new plan. I want to thank you all for holding today's hearing. I hope I was able to illustrate that I believe that this new plan is beneficial. It will help the city save some

money, and I am proud of what we put together. It is a superior health plan. Thank you.

CHAIRPERSON MILLER: Thank you, Geof.

ANNA CHAMPENY: Ah, good afternoon, Chair Miller and members of the Committee on Civil Service and Labor. My name is Anna Champeny and I am the deputy research director at the Citizens' Budget Commission. CBC is a nonprofit, nonpartisan think tank and watch dog dedicated to constructive change in the services and finances of New York City and New York State governments. Thank you for the opportunity to testify on changes to New York City's retiree healthcare benefits. To simply put, we believe that this approach to financing retiree health benefits is sound and creative. However, if it fails to provide any fiscal savings to the city and thus does not satisfy the city's legitimate need to reduce recurring spending in reasonable ways, such as bringing retiree and employee benefits more in line with those of other public and private sector workers. Eligible New York City retirees are provided comprehensive health benefits. For those eligible for Medicare, the current benefits include 100% reimbursement of Medicare Part B premiums and a

choice of supplemental Medicare plans, including options with no retiree premium contribution, that costs the city about $2400 per member per year. The new program only affects the Medicare supplemental benefit. The city will continue to reimbursement Medicare Part B premiums. Um, the cost of health and welfare benefits are high, have been increasing at twice the rate of inflation, and confers significant long-term liability for the city. This year retiree and health and welfare benefits will cost the city 3.1 billion dollars, including 2.6 billion for pre-Medicare insurance, Medicare Part B, and the supplemental plans. The city spends another 500 million for union-administered welfare fund contributions. Retiree health insurance costs have grown an average of 5.5% a year from fiscal year 2014 to 22, and the city's current liability for retiree health benefits, known as OPEC, is 122 billion dollars. May I go on [inaudible]? The, ah, the approach would reduce the city's cost by 600 million annually and the city's long-term liability. However, it fails to provide any savings to the city's operating budget. The agreement is to deposit the 600 million of savings into the Health Insurance

Premium Stabilization Fund rather than reducing city expenditures for retiree health benefits. Spending is not reduced and budget gaps remain unchanged. The city still has to spend the same amount of money, but instead of paying for the premiums, it transfers the funds into an off-budget health insurance stabilization fund, which is jointly controlled by the city and the MLC, and provides additional benefits to retirees and on occasion to fund collective bargaining increases or healthcare savings. Effectively, this agreement uses the reduced cost of retiree health insurance benefits to support benefits or salaries of current employees. Ah, so we believe this agreement starts off right and then veers off course to miss the finish line because the resulting savings do not flow to the city's bottom line as part of the annual budget process and instead are used to bolster other labor-related costs. Still, the change in how benefits are financed is welcome and should pave the way for employee premium contributions for health insurance coverage. Thank you.

JONATHAN ROSENBERG: Hi, thanks. Good afternoon, Chair Miller and members of the Committee

on Civil Service and Labor. I am Jonathan Rosenberg, director of budget review at the New York City Independent Budget Office, and I'm here with Robert Callahan. He's also from my office. I'd like to thank you for the opportunity to testify today regarding the recent agreement to alter the city's health plan for retirees. This change has been presented as a source of savings for the city budget, with little or no negative effect on retirees' health care. In IBO's assessment, which focuses on the budget effects, shifting the city's retiree health coverage from traditional Medicare and Medigap coverage to Medicare Part C, referred to as the Medicare Advantage plan, provides the city with no actual budgetary savings. The plan change would free up nearly 600 million dollars annually as the retiree health expenses formerly borne by the city are instead covered by the federal government. However, none of the savings will accrue to the city. As a result of agreements made by the city with the MLC, an umbrella organization representing the city's unionized workforce, all of the savings resulting from ending the city's financial support for Medigap insurance will be contributed annually to the Joint

Health Insurance Premium Stabilization Fund. The assets of this fund, controlled jointly by the administration and the unions, are used for a variety of purposes, including the funding of unions' welfare benefits, which includes [inaudible] drug program, Teledoc, and mental health subsidies, among others. The structure of the agreement between the city and the unions effectively transfers these city dollars from the general operating budget to a fund administered outside the ordinary budget process. This action eliminates any accountability or direct oversight for the funds by the appropriate budgetary entities. IBO supports increased transparency and appropriate checks and balances in the budgetary process as a means of safeguarding the city's assets. This transfer will effectively service to reduce both. The city for many decades has provided affordable, quality health insurance to its employees. It's also long been city policy that upon their retirement, former city employees retain this valuable benefit. Currently, city retirees and their beneficiaries receiving post employment benefits must enroll in Medicare once they become eligible. Historically, the Medicare population was enrolled in

what is known as traditional Medicare, which provides fee for service coverage of hospitals and doctor visits, Medicare's Part A and B, respectively. Under this arrangement, Medicare recipients paid premiums for Part B coverage, which can include surcharges for higher income individuals. Many Medicare recipients elect to purchase additional supplemental coverage that the basic Medicare Part B does not provide. This coverage, commonly known as Medigap, is administered by private providers. Until now the city has reimbursed its retirees for their Part B premiums and has offered Emblem Health Senior Medigap Plan at no additional companies. Medicare Advantage, also known as Medicare Part C, is the alternative to the coverage offered under Parts A and B and Medigap. Medicare Advantage is administered wholly by private insurers, who receive a per member payment from the Federal Medicare Trust Fund to provide coverage through a network of doctors. Medicare Advantage's structure is similar to the arrangement active employees have with their health insurance providers. Members are still required to pay the equivalent of their Part B premiums, which the city would still reimbursement under Medicare Advantage. Ah, as it's

been mentioned, in fiscal 21 New York City paid 3.2 billion dollars for the provision of health care to over 250,000 retirees, comprised of primarily five categories of payments. Ah, I won't go into each one of them, but primarily the savings that has been mentioned here is resultant from the premiums for supplemental Medicare, Medigap coverage, which in the last year cost an estimated of 587 million dollars. The shift to Medicare Advantage removed this responsibility to pay these premiums to the federal government. The city selected the Alliance to join enterprise between Emblem Health and Empire Blue Cross Blue Shield to provide the Medicare Advantage Plan to city retirees. The two companies currently provide Medigap plans to 92% of city retirees and their beneficiaries. The Alliance's Medicare Advantage Plan is reportedly designed to be similar to Emblem's Health GHI Senior Care Plan as possible, including access to the network of medical providers far larger than a traditional Medicare Advantage population would have access to. In focusing on the budgetary impact of this policy change, IBO has not evaluated the validity of this claim. Because there is a variation in services offered, a Medicare

Advantage provider's reimbursement rate may be higher or lower than the Medicare benchmark. Any cost to the provider over what Medicare would pay is charged to the retirees a premium. As part of the current agreement, the city has promised a premium-free Medicare Advantage Plan to its retirees. The contract with the Alliance is expected to last five years with three two-year extension options. If in the future the Alliance determines that its reimbursement rate is insufficient to cover the cost of providing the services, the city would be faced with a decision to either renege on the promise of premium-free healthcare coverage, cover the excess itself, or renegotiate a less-generous set of benefits. While this does not appear pose a current threat, it could provide, prove to be a risk to future city budgets. Both the unions and the de Blasio administration have emphasized, can I continue, sir? OK. Ah, have emphasized that a critical reason to move seniors to Medicare Advantage Plan is to preserve the financial stability of the Joint Health Insurance Premium Stabilization Fund. The stabilization fund, which was created in 1984 to equalize costs between the two health insurances at

the time, ah, GHI and HIP, each of which are offered to city workers at no cost. In addition, the stabilization fund ensured that rates paid by the city were predictable for budgeting purposes. The city's administrative code stipulates that the city must pay the HIP HMO rate for all employee health benefits. The funds' revenues are derived from equalization payments paid by Emblem Health for years in which GHI's premiums are lower than the HIP's. The fund also receives direct contributions from the city negotiated in labor agreements and earns interest on those reserves. Because of this dedicated funding stream, by 2016 the fund had a balance of 1.8 billion dollars. The decision on how to utilize these hundreds of millions of dollars are made jointly by the city, represented by OLR and the MLC. Over the decades the stabilization fund has been increasingly used to fund supplementary health benefits and per-member contributions to union welfare funds, which can be used at the unions' discretions. Because of increasing withdrawals from the funds and the decline in the primary revenue stream, as GHI's premiums exceeded those of HIP beginning in 2019, a structural deficit has emerged

in recent years, as the fund's annual obligations have far exceeded its revenues. The fund's balance was 1.4 billion at the close of fiscal 2020 and just one year later stood at just over 1 billion. Over the last three years the stabilization fund's average revenues have, revenues have averaged 161.4 million, while their expenses have averaged 430 million dollars. IBO estimates that at this current draw-down rate, even if annual expenses remain constant, the stabilization fund will be depleted in three to four years. The MLC and the city plan to utilize the savings from the transfer of the retiree health plan to Medicare Advantage Plus to provide the stabilization fund with an alternate revenue source. This new revenue source defers any need to deal with the fundamental issue facing the stabilization fund - the cost of annual obligations being financed with an unreliable stream of income. The agreement to move the Medicare Advantage continues, to, to move to Medicare Advantage continues the, the use of the stabilization fund as an off-budget transfer of city collars to a special-purpose fund that has little or no budgetary oversight. Just to be clear, the transfer to Medicare Advantage being proposed is

unrelated to the city's most recent agreement on contrast with its labor unions, as we've just heard. Um, this, ah, 2018 agreement...

CHAIRPERSON MILLER: We need to start wrapping up, OK?

JONATHAN ROSENBERG: I'm sorry? Um, yeah, I'll start, sorry. With the MLC and the health savings agreement to find 1.9 billion dollars in savings, um, was for, that the, ah, the basis for the healthcare savings agreement was for Labor to provide partial funding of the cost of salary increases from the 2018 to 21 round of collective bargaining. But at the time of the adoption the two sides agreed that they were going to look into things such as Medicare Advantage program savings. Ah, the city of...

CHAIRPERSON MILLER: Wrap up, wrap up, please wrap up.

JONATHAN ROSENBERG: OK. OLR just recently earlier today even agreed that this, ah, validated that this was not to be used as part of the savings. So in conclusion, rather than using the savings to supplement existing services or cover other recurring costs, the city plans to use the entirety of the savings to fund benefits provided by

city unions. Rather than allocating these savings through the typical budgeting process, the entirety of the savings will be allocated to off-budget funds. In doing this, the city is foregoing a significant opportunity to strengthen its position in relationship to retiree health costs and relinquishing its fiduciary responsibility through the expenditure of hundreds of millions of dollars.

CHAIRPERSON MILLER: Thank you.

JONATHAN ROSENBERG: Thank you.

CHAIRPERSON MILLER: So, um, Council Member Dinowitz, do you have any questions?

COUNCIL MEMBER DINOWITZ: [inaudible].

CHAIRPERSON MILLER: OK. So, um, I, I, just, ah, ah, briefly, um, Geof could you, for, for your, for your parents and in-laws that are retired UFT members, um, have they enrolled or opted out? What is their status and what have you advised them to do?

GEOFREY SORKIN: So I've advised them all along to not opt out of this program. I can tell you from the beginning when we started negotiating the MLC and the city, and it did get contentious at times. We don't always agree. The goal was to

replicate and when we could enhance all of the benefits that Senior Care currently provides. I advised all of them to go into the new program. There are safeties in the new program, including the maximum out-of-pocket. The drug formulary, as well as the co-pay structure is the exact same, but the monthly premium is down $25. I've told them that it's a quality plan. I firmly believe that. I hope that's satisfactorily answers your question.

CHAIRPERSON MILLER: Ah, thank you. Thank you. Thank you, panel.

GEOFREY SORKIN: Thanks.

CHAIRPERSON MILLER: OK. We're going to go into the public testimony portion. So, Sergeant, could we, two minutes, and we're gonna have to stick to that because we have a, a number of people that are waiting and the panels are limited, obviously, because of social distancing. So, ah, let's call Steve Cohen.

COMMITTEE COUNSEL: Ed Hesse.

CHAIRPERSON MILLER: Ed Hesse.

COMMITTEE COUNSEL: And Lisa Flanger.

CHAIRPERSON MILLER: And Lisa Flanger.

COMMITTEE COUNSEL: And so Steve, Steve with [inaudible] attorney and the New York City Public Service Retirees, the litigation.

CHAIRPERSON MILLER: OK.

COMMITTEE COUNSEL: The decision came down.

CHAIRPERSON MILLER: OK.

COMMITTEE COUNSEL: So they will have some information. You can ask him about when is the next appearance date, when the, the...

CHAIRPERSON MILLER: Is that Lisa? I'm not asking about that. Yeah, we will [blank]. OK, let's get started. John [blank]. OK. Mr. Cohen, you want to begin?

STEVE COHEN: Thank you, Chair Miller. Um, Member Dinowitz. Ah, my name is Steve Cohen. I do not own the New York Mets. But I do have the honor of representing the retirees. I'm one of the attorneys who brought the Article 78 proceeding, which resulted in the injunction by the judge. I may also be, ah, Chairman, the only person in this room who actually has a Medicare Advantage program. I'm covered by one. So I've seen it up close, the good and the bad, and sometimes the ugly. I want to share

with the committee two things, and the first is why we believe the city had absolutely no right, no legal right, to impose a Medicare Advantage plan on current retirees. Future retirees, it's another matter. But not on current retirees. And as you asked the question earlier, Chairman, nobody represented retirees throughout this entire process. It is black-letter law that unions do not represent their former members. And, as you know, the MLC represents no one. But, second, I want to focus on the most serious and insidious harms that this new plan will impose on senior citizens and disabled retirees. And as you know there are some 102 or so unions in the city, and about 5% of the workforce, about 20,000 people, are in managerial positions and not represented by any union. But still in every single collective bargaining agreement, every contract, at one point or another, it quotes the New York City Administrative Code 12-126, which says, and I quote, "The city will pay the entire cost of health insurance coverage for city employees, city retirees, and their dependents, not to exceed 100% of the full cost of HIP HMO." It's in the law. And the contracts reflect that. Secondly, virtually every,

may I continue, sir? Virtually every single employee and retiree gets this booklet. This is just a couple pages of it. This is called the SPD, the Summary Program Discretion of Health Benefits. And in this it says you are entitled, the benefits you are entitled to as retiree are what were in place when you retired. And for all of these retirees what was in place was a Medigap plan, paid for by the city and cost of that program, you've heard it already, is $191.57. Well below.

CHAIRPERSON MILLER: I'm sorry, 'cause it sounds like you're ready to litigate this all over.

STEVE COHEN: No, I'm not.

CHAIRPERSON MILLER: That's why we're not, that's, that's why, that's not why we're here. We're just here to get some stuff out. That's it. I'm sorry. Next. Yep.

EDWARD HESSE: [loud voices from audience] Good afternoon. Good, good afternoon, Mr. Chairman. My name is Edward Hesse.

CHAIRPERSON MILLER: Turn your mic on please.

ED HESSE: This is on now? Hi. Good afternoon, Mr. Chairman. My name is Ed Hesse. I'm

the vice president of COMRO, the Committee of Municipal Retiree Organizations and I am the president of DC37 Retiree Association. I was the former president of Local 2627, the New York City Electronic Data Processing Personnel. I'm here to represent Stew Eber, the president, who cannot be here. We represent, we have, we represent members from different unions, from the UFT to TWU 100, so on and so forth, PSU. We collectively over seven million years for the city with the understanding that our healthcare rights would remain intact. It was a compact between us and the city in return for our services. We would be guaranteed affordable, timely, and comprehensive health care by our employer, the City of New York. COMRO learned in February the city, injunction with the MLC, was in the process of awarding a high lucrative contract to a major health insurance company, ah, for to effectively provide health care for 240,000-plus retirees. The city released a Notice of Intent, not a Request for a Proposal, and by February had eliminated the four responders. Nowhere in this process were retirees involved. They did not ask for our input. Retirees had zero input. Nowhere did the

MLC consulted with us or asked us for our opinions or our experiences. On April 29, April 19, 2001, COMRO president Stew Eber sent the letter to Harry Nespoli, the president of the, the chair of the Municipal Labor Committee asking that I be appointed to the MLC steering committee for my ability to speak as both a user of the benefits and a responsible labor leader within DC37 COMRO. We got, as a result of this request we got a letter from the MLC law firm, Greenberg, Brazeli, Greenberg saying basically this is a law [inaudible] firm, we, we handle this in negotiations. You're retired, just shut up and dribble. And our union leaders smugly echoed those sentiments in their closed meetings. Everybody that's testified here so far, sir, has admitted that they're not a retiree. Even the gentleman from the UFT. He's in charge of the benefit fund, but he's not a retiree. OK, we, we requested a moratorium on this process because we felt that this was a hush-hush, rush-rush process. It was poorly implemented. They had no implementation plan. In fact, the description given to you before about the opt out process was incomplete and misleading, and if you want I will be glad to respond to that if you wish.

The lack of transparency is just overwhelming and what they're trying to do. They threw us under the bus. [inaudible]

CHAIRPERSON MILLER: That's [inaudible] that's why we're here.

ED HESSE: Our own labor leaders threw us under the bus, sir.

CHAIRPERSON MILLER: That's, that's why we're here, to give you a voice and, and about the process.

ED HESSE: Thank you. [inaudible] want to thank the opportunity for being able to, um, appear before this committee and I'm here to answer any questions you have. As they say...

CHAIRPERSON MILLER: Thank you.

ED HESSE: Ah, the main thing, if I may say one thing before I, I'm closed.

CHAIRPERSON MILLER: OK.

ED HESSE: They sold us to a for-profit company. This is for profit. They had the opportunity, the City of New York and the MLC, to come up with a different plan, different, they could have done things incrementally.

CHAIRPERSON MILLER: OK.

ED HESSE: And they threw out the baby and the bath water at the same time.

CHAIRPERSON MILLER: Thank you. Ms. Flan? Yes, please.

LISA FLANGER: OK. Ah, my name is Lisa Flanger. I'm retired from Queens College City University of New York. I served as an academic librarian from 1984 to 2017, a total of 33 years. I am here today to give personal testimony concerning the harm I fear I will suffer under Medicare Advantage, because my intensive therapeutic achievement will be subject to review for medical necessity. I am also in danger of having sensitive medical resources released to strangers composed of an impersonal cabal of [inaudible] behaviorists. [inaudible] Parker, sales manager for Alliance, stated to me your claim will be retroeffectively reviewed for medical necessity and the plan could ask your provider for medical records. According to the New York State Department of Mental Health, Medicare Advantage may impose different costs and restrictions. Simply put, New York's Medicare Advantage is a gross diminution of my benefits. My psychotherapist has his own private practice and does

not participate in Medicare Advantage. It is fraught with treacherous and byzantine paperwork known as preauthorizations. My provider will not spend his precious time completing them because his priority is to help his patients recover from psychic scars. My well-being will be threatened and thwartened by these constraints and road blocks to my treatment. In contrast, my original Medicare has been a blessing. I am allowed to avail myself of affordable, dependable, and continuous treatment from a trusted psychotherapist that I have depended on for a while. He accepts Medicare. I would never consider turning over confidential records to a panel composed of financial scrooges. There is no way he would ever breach his oath of confidentiality, so sacred in achievement of mental, emotional disorders. Original Medicare has allowed me to remain stable and recover from past emotional traumas. Without proper treatment I fear hospitalization and self-harm.

CHAIRPERSON MILLER: Thank you. [applause] Please. So, um, in the interest of time I, I want to be very brief. So, um, Ms. Flanger, ah, I, I, I wish that the admin was here so that they could answer those questions, because this isn't

about they will tell you something about an appeal and, and as you said, you have other concerns there. Ah, do you, do you currently have the, ah, senior plan or are you on straight, you have regular Medicare?

LISA FLANGER: I can't hear.

CHAIRPERSON MILLER: Do you have Medicare.

LISA FLANGER: Yeah [inaudible]. I do have. I have original Medicare, yes.

CHAIRPERSON MILLER: Traditional Medicare? You have traditional Medicare?

LISA FLANGER: Yes, I do, original Medicare.

CHAIRPERSON MILLER: So, so you plan on opting out?

LISA FLANGER: I'm sorry, I can't hear that well.

CHAIRPERSON MILLER: Do you, do you plan on opting out 'cause you're not in the current senior plan now?

LISA FLANGER: Yes, I plan on opting out, no question.

CHAIRPERSON MILLER: Right, so that, yeah, that doesn't stand for you and, and, and Mr. Cohen and, and, and I know that you were deeply involved in these negotiations, and I, like you, sir, um, am, am, I am a former union president and business agent myself and, and, and we have, and, and my local continues to bargain, um, health care on behalf of, supplemental health care on behalf of, of, ah, our retirees. But they are engaged, so, um, I, I think that by virtue, look, public policy happens by virtue of public discourse. Because we are talking and we are talking publicly I, I think that, um, we're gonna see significant changes in, in how things are done, and that we will hear the voices of everyone involved and all those that are being represented.

STEVE COHEN: May I, Mr. Chair? One thing was represented over and over again by the speaker, by, ah, the commissioner and the assistant commissioner, and that is that every doctor will take this, and that is simply not true. [applause] Doctors always have the option of not accepting, and if you want to see your doctor you have to lay out the money up front, and that can be the Medicare

amount, or it could be way more than what Medicare will ultimately pay. And that is a burden on senior citizens and retirees.

CHAIRPERSON MILLER: So, I, you know what, I don't want to debate the merits of that now because this is saying that we're hearing now, I don't necessarily, you know, have an opinion, or I do, but it's, it's, you know, on, on, ah, the process itself and, and, and, but this network, these providers of this and, ah, the vendors, this, of this network are the same folks that are currently providing the benefit now.

STEVE COHEN: Forgive me, that's simply not true.

UNIDENTIFIED: It's not true, sir.

STEVE COHEN: Simply not true.

UNIDENTIFIED: Not true.

UNIDENTIFIED: Can I say something?

STEVE COHEN: Please, of course.

UNIDENTIFIED: OK. If, if you look at the statistics provided by the Alliance group, there are 860,000 medical providers in the United States, they accept Medicare. Their own program slide in

their dog and pony show said that only 660,000 are in an Emblem [inaudible]...

CHAIRPERSON MILLER: So I'm, I'm, I'm simply saying this.

UNIDENTIFIED: ...25% [inaudible].

CHAIRPERSON MILLER: I'm simply saying this, that the folks that are providing the seniors' benefit for the city now are the same two folks that will be providing this benefit.

UNIDENTIFIED: No, sir.

UNIDENTIFIED: Are you, are you speaking of the insurance companies being...

CHAIRPERSON MILLER: Correct.

UNIDENTIFIED: Right, right.

CHAIRPERSON MILLER: Correct.

UNIDENTIFIED: That, that's true, except there's a fundamental problem and that focuses on the prior authorization.

UNIDENTIFIED: Right.

UNIDENTIFIED: And the prior authorization is largely why doctors do not want to participate because they have to go through an incredible bureaucratic hurdle to provide basic diagnostic tests

and care, and they will not do that. Whereas in Medicare...

CHAIRPERSON MILLER: That, so...

UNIDENTIFIED: ...it's approved automatically. [applause]

CHAIRPERSON MILLER: Yeah, but, so if you are enrolled in the current plan, if you are currently enrolled in the plan, do you, is, is there a gatekeeper?

UNIDENTIFIED: I'm sorry, is there what, sir?

CHAIRPERSON MILLER: Is there a gatekeeper?

UNIDENTIFIED: No, there isn't. And Medicare, the way Medicare works...

CHAIRPERSON MILLER: I'm not talking about traditional Medicare.

UNIDENTIFIED: No, no, no. The current senior care program...

CHAIRPERSON MILLER: I'm talking about the senior care.

UNIDENTIFIED: [inaudible] care program is a Medicare program and the senior care pays the other 20%, and the way Medicare works it's approve and then

audit the doctor. In this plan, the actual retirees are potentially on the hook, and it says so in their plan.

CHAIRPERSON MILLER: Well, wait. Time, time.

UNIDENTIFIED: In their 40-page...

CHAIRPERSON MILLER: For, for what? Be specific.

UNIDENTIFIED: For prior authorization.

CHAIRPERSON MILLER: For, for what, for what services?

UNIDENTIFIED: For, it's on page, it's right here.

CHAIRPERSON MILLER: Right.

UNIDENTIFIED: This is the 40-page booklet that the city sends out.

CHAIRPERSON MILLER: For what services?

UNIDENTIFIED: For any services that require prior authorization.

CHAIRPERSON MILLER: Yeah, prior...

UNIDENTIFIED: So what it says if the claim is determined to not be medically necessary...

UNIDENTIFIED: What, what page is that?

CHAIRPERSON MILLER: Right.

UNIDENTIFIED: What page is that?

UNIDENTIFIED: They don't number the pages. It's [laughs] so it was, after I can get...

UNIDENTIFIED: Is it this book?

UNIDENTIFIED: It's in that booklet.

UNIDENTIFIED: Yes.

UNIDENTIFIED: And it's, um, the page that looks like...

UNIDENTIFIED: Oh, the page that looks like that. [inaudible].

UNIDENTIFIED: The page that looks like that.

UNIDENTIFIED: All right.

UNIDENTIFIED: And it says you can be billed. In tradition, in, in senior care, Medicare approved, and then they audit the doctor. That's not the case here.

UNIDENTIFIED: Right.

UNIDENTIFIED: The private insurance company becomes the gatekeeper, and the gatekeeper, they say it could be two days or five days.

UNIDENTIFIED: Right, up to 14 days.

UNIDENTIFIED: I turn, I turn, I ask you to look at the case...

CHAIRPERSON MILLER: And that is not, but, but, let's be totally genuine here. That is not for everything.

UNIDENTIFIED: For, no, not for everything.

CHAIRPERSON MILLER: That is not for everything and let's, let's not imply that everything...

UNIDENTIFIED: No, no, we don't know...

CHAIRPERSON MILLER: ...be, that, wait a minute, that everything be quiet. They are very specific in the summary plan on what that is.

UNIDENTIFIED: Well, they haven't actually published it yet. It's only in the, remember they have [inaudible].

CHAIRPERSON MILLER: The summary plan is here, it's in the book.

UNIDENTIFIED: No, that’s a summary of the summary. We don't know what's in the contract, and I give you the example...

CHAIRPERSON MILLER: Listen, I've been a trustee.

UNIDENTIFIED: Yep.

CHAIRPERSON MILLER: I've been a business agent. Ah, I, I know the difference, right? And I also know that you can have a contract, it may take 10 years for you to put that contract on, on, on paper, right? And in the meantime those, those benefits get rendered, right? So, you know, and for the purposes, for the purposes of, of making this argument, but we're not litigating, we're just to get, factual information out as to whether or not you are going to be required to get a referral to, to have certain services rendered. And if that is the case let's be very specific about what those services are.

UNIDENTIFIED: It's not a referral, it's prior authorization.

CHAIRPERSON MILLER: A prior authorization, right?

UNIDENTIFIED: I'll give you the perfect example. An MRI.

UNIDENTIFIED: Right.

UNIDENTIFIED: Kathleen Valentini is 47 years old, went to GHI. Her doctor went to GHI and said I don't see anything on her x-rays for the pain in her leg. I want an MRI. And Emblem Health said

no, it's not medically necessary until she's had six weeks of physical therapy. To which the doctor, to is credit, said...

CHAIRPERSON MILLER: Sir. Listen...

UNIDENTIFIED: They already paid for it.

CHAIRPERSON MILLER: As, as, you're right, 'cause that as a active member that's precisely what will happen.

UNIDENTIFIED: And that's what will happen here.

CHAIRPERSON MILLER: Right, that, that is precisely what will happen as an active member, that you will...

UNIDENTIFIED: But Mr., Mr. Chairman, one thing that...

CHAIRPERSON MILLER: And, and that is something subject to negotiation that...

UNIDENTIFIED: Mr. Chairman, the one thing they pointed out, which I think is incorrect, and they said that if your doctor accepts Medicare now he has to accept this plan. He does not. He can accept Medicare and reject this, you, because you're under a Medicare Advantage Plan. He does not have...

CHAIRPERSON MILLER: Gotcha. There, there are waiver provisions that were, that they entered into that allowed them to do certain things that different, that differ from, from a, a, a normal Medicare Advantage plan.

UNIDENTIFIED: I don't believe that's the case.

UNIDENTIFIED: I don't believe that's the case, sir. I disagree with you.

UNIDENTIFIED: That's, that's not spelled out in any of the documents they've provided. They repeatedly said that's, and they've put on the Alliance website that certain doctors are accepting this. And when those doctors were asked are you accepting it, they said no, we've never even heard of this. How can they put our name on this site as accepting the plan, when we've never heard anything about it. They are misrepresenting who is participating [inaudible].

CHAIRPERSON MILLER: So, that, that, if, if that were the case that, that would be true, but I, I, you know, this is not a court of law and, and, and, and if it were and the doctors weren't here, that would be hearsay and inadmissible, right? So

we're, we're not gonna, ah, move forward with that now. But we, we had this same conversation, the committee internally with OLR and then for, for, for, for months now going in and, and we asked these same questions.

UNIDENTIFIED: No, Mr. Chair, we, I, I represent...

CHAIRPERSON MILLER: In, in the interest of time we got, we, we got...

UNIDENTIFIED: Can I just say one thing, please?

CHAIRPERSON MILLER: ...a ton more folks, so.

UNIDENTIFIED: We represent, I'm, as the president of DC37 retirees we represent some of the lowest-paid workers in the city. They don't have high pension. The average pension...

CHAIRPERSON MILLER: I, I know, trust me.

UNIDENTIFIED: You know what? This...

CHAIRPERSON MILLER: I'm, I'm, I'm well versed with, with, with who you representing and, and so we are very much concerned. That's why we're holding this hearing, whether or not someone who's on, at the lower end of a fixed income could afford

or to incur any additional healthcare costs. That is the purpose. That's why we're here.

UNIDENTIFIED: Like if they have to go physical therapy for 10 sessions and pay $10, $15 co-pays for each session, which they will have to pay, that's significant money to somebody that has a $500 a month pension.

UNIDENTIFIED: There's incredible disparate impact...

CHAIRPERSON MILLER: OK.

UNIDENTIFIED: ...on DC37 members...

CHAIRPERSON MILLER: OK.

UNIDENTIFIED: ...who have a $22,000 pension...

CHAIRPERSON MILLER: [inaudible]

UNIDENTIFIED: ...to be asked to pay $191.57 a month to keep their doctor. It's just not right.

CHAIRPERSON MILLER: That is, that is [inaudible].

UNIDENTIFIED: That's right.

CHAIRPERSON MILLER: That, that is true [applause] and that's why is this an option.

UNIDENTIFIED: But, but they can't afford it and it is covered by 12-126. It's under that cap.

CHAIRPERSON MILLER: That, that, that is [inaudible]. What is, so we're, we're not gonna debate that. What, what, what is covered is, is, is that there is a certain benefit that they are required to give and how it happens is, is not that explicit.

UNIDENTIFIED: OK, but they have given misleading information [inaudible] process, sir.

CHAIRPERSON MILLER: All right, so, um, I'm sorry. We, we have to move on. And thank you so much, panel. William Friedheim, next panel. Donald Moore, and Jose Acevedo. And in the interest of time, this will be two minutes. OK, gentlemen, if you, ah, start, you can start in either direction. Um, identify yourself and please, you can begin by reading your testimony. How about we begin with Dr. Moore?

UNIDENTIFIED: I'm fine with that.

DONALD MOORE: Mr. Chairman, ah, honorable council members, good afternoon. My name is Dr. Donald Moore. Um, I represent the Physicians for a National Health Program and, um, I've been

continuously practicing medicine, primary care, in Brooklyn on 41 Eastern Parkway. We, the 20,000 members of the Physicians for a National Health Program strongly object to the privatization of our Medicare [applause]. Traditional Medicare offers choice of any willing qualified provider. Medicare has one network. Medicare Advantage, a privatized managed care plan fragments health insurance into narrow networks. This results in inequitable medical care. Americans with higher income have traditional Medicare with a supplement, and those with lower income are forced into so-called Medicare Advantage. My red, white, and blue card gives me access to any doctor or any hospital anywhere in every state of this union. Medicare Advantage plans are county and state specific, like the one we're talking about here. Medicare Advantage limits access through requirements for prior authorization. When I order a CT scan or an MRI those private insurance companies frequently deny payment. Losing traditional Medicare will result in loss of access, loss of portability, great health injustice, and less choice. Ladies and gentlemen, I urge you to stop the robbery. Don't allow them to take away the retirees' traditional

Medicare and replace with a Medicare disadvantage. Instead, let us all work to an improved Medicare for all. Thank you very much [applause]. And thanks for the opportunity to speak.

CHAIRPERSON MILLER: You're welcome, sir, Doctor.

WILLIAM FRIEDHEIM: My name is Bill Friedheim. I'm chair of the Retirees Chapter of the Professional Staff Congress, CUNY. I'm not going to read my testimony. I'm gonna spare you that. But I am going to comment on what the commissioner and deputy commissioner from OLR stated earlier in the day. The commissioner said this is a win-win for everybody. It's not a win-win for me. It's not a win-win for members of our Retirees Chapter. It's not a win-win for 250,000 municipal retirees. The commissioner then went on to say that this Medicare Advantage plan provides things that traditional Medicare doesn't. And this booklet says the same thing. In fact, this booklet says unlike traditional Medicare you can see any doctor, any medical provider who accepts Medicare. Well, that's true under traditional Medicare, as hundreds of people, you know, have already told us. Council Member

Dinowitz's, you know, constituents have written to him. Their doctors are telling them that they won't accept it. They won't accept it. The commissioner also said that unlike traditional Medicare, ah, you have no co-pay for a wellness, for a wellness visit. Well, visit the Medicare website. You'd absolutely have that under traditional Medicare, once, ah, you pay 12 months of Medicare Part B. What the city and what the MLC did is they reached for the low-hanging fruit - retiree healthcare benefits. In the midst of a pandemic they targeted the most vulnerable healthcare population in New York City. Now they, this is a win-win? As a previous, ah, ah, speaker said, under traditional Medicare I don't have prior authorizations for an MRI, ah, or for other things. Under this program there are prior authorizations. I think that what our presumptive mayor said, I say presumptive, the election hasn't been held yet, but I think Eric Adams is gonna be our next mayor, ah, this is classic bait and switch. I really implore the City Council to press, to get the city to press the pause button. Take a step back, examine what's happening, and stop this, please [applause].

CHAIRPERSON MILLER: Mr. Acevedo. Please, again, I can't, that, that takes time and, and we have a way of doing things around here, and please observe that, OK?

JOSE ACEVEDO: Ah, yes. Ah, ladies and gentlemen and, um, counselors, ah, first of all I thank you for giving me this audience and time to speak. Um, one is, you know, we, we were all here when we heard how the, um, people from Medicare Advantage, how they painted this rosy picture about how wonderful this insurance is gonna be. We also heard a member of the UFT instead of serving our interests was serving the interest of a private insurance company, and someone from the OLR. Um, one of the things we want to say is we have to keep in mind that this is a private company that is for a profit. The question is, how did they reconcile for profit with serving the needs of their beneficiaries? We, we understand that this is the bottom line for them, and what comes first, the bottom line or serving the needs of those people that need hospitalization and need, ah, health care. Those are one of questions. You don't have to be a rocket scientist to figure that out. But I, ah, want to

wish, one of the things I wish to do is give testimony to the, to those members of the UFT retirees, city workers, and UFT Department of Education workers in general. Um, one of the things is this. Many of us chose to work in the public sector, not with the illusion of getting rich, but because it was something we felt passionate about and we were afforded safeguards and security benefits during our senior years. Our Medicare health plan was one of those guaranteed securities. Today we find that Mayor Bill de Blasio has decided that the only way to save the city 600 million dollars is on the backs of retirees. That is, that is a plan that is unacceptable. Ah, we have given 30 years or more of our lives working and contributing to make the city the great, the great place it is today. We willing invested those years of our lives with the pride and understanding that city, and I request a little more time, please, with the pride and understanding that the city would keep its end of the bargain. We also trusted our union to look out for our interests, to make sure that they kept their end of the bargain. Instead we find out, we discover that the city politicians and our union leaders have

betrayed that trust by arbitrarily forcing us to accept privatized health insurance that despite their promises will be inferior in quality, limit us access to health care, and it will mean additional out-of-pocket expenses. The outcome from transitioning, and something else you should keep in mind, from original Medicare to private insurance will mean we're gonna have a two-tier health plan. Those people who can afford to pay higher premiums are gonna keep their original medical health care. They're gonna keep their Medicare, um, classic Medicare. Those people who cannot are gonna have to settle for an inferior private healthcare insurance where they are gonna have limited access to doctors. They are gonna have to pay out-of-pocket expenses. And they are gonna get less health services. This is what's gonna happen. It's gonna have an adverse effect on the overwhelming number of city works.

CHAIRPERSON MILLER: Thank you, sir.

JOSE ACEVEDO: Can I have just [inaudible]?

CHAIRPERSON MILLER: We, we gotta wrap. We, we have tons of people. Thank you so much, Mr. Acevedo. Um, before the panel concludes that, what,

what, Doctor, what, what reasons would doctors have for not accepting this insurance?

DONALD MOORE: Well, I do not accept Medicare Advantage. I don't accept Medicare Advantage because I, I practiced for about 30 years taking those types of insurances. And for me to continue practicing, not to lose money on each patient, I had to refuse that. Medicare Advantage makes money by cutting the fee.

CHAIRPERSON MILLER: Is, is the reimbursement different?

DONALD MOORE: It cuts my fee. I get less each I see a patient. But more than that, I get a headache when I see those patients. The reason is because if I order an MRI, if I order a CT scan, it takes three, four days of work to get it done and I may, I may not get paid or the radiologist may not get paid.

CHAIRPERSON MILLER: What's the difference in the fees?

DONALD MOORE: The fees that I get from?

CHAIRPERSON MILLER: Yes.

DONALD MOORE: Well, what they do, what a Medicare Advantage does is they take the Medicare fee

and then they go to the doctor and negotiate a lower fee. So they make the difference. That's those for profits [inaudible].

CHAIRPERSON MILLER: Do they do that, do they do that, well do they do that across the board?

DONALD MOORE: Yes, they do it across the board.

CHAIRPERSON MILLER: Well, it's certainly not, they don't go to every individual doctor and say this is, what, what would you accept?

DONALD MOORE: Well, they go, it, it works differently. In a private individual physician like me, they give me a lower fee. When they go to the big hospital and negotiate the fee...

CHAIRPERSON MILLER: [inaudible].

DONALD MOORE: ...they tell them how much they're gonna get. So they balance it that way. And then after they're done they come to my office, review my charts, find additional things that I didn't think was important, and go back to Medicare and say we have a sicker patient, give us more money. So that's the kind of for thing. When they said in the testimony earlier that we go back to the government and get more money, that's exactly what

they do. So we as taxpayers, we pay more for that Medicare Advantage.

CHAIRPERSON MILLER: OK. Thank you. Thank you, panel. Next panel, Gloria Branman, and Bruce Rosen, and Dana Simon.

UNIDENTIFIED: Good afternoon Ms. Simon, Branman, and, ah, Mr. Rosen. Um, would you like to, are you Ms. Simon?

GLORIA BRANMAN: No.

UNIDENTIFIED: Ms. Branman?

GLORIA BRANMAN: I'm Ms. Branman.

UNIDENTIFIED: I had a 50/50 shot, didn't I. Um, Ms. Branman, would you like to commence your, your testimony, please?

GLORIA BRANMAN: Sure. Thank you. Greetings, everyone. My name is Gloria Branman. I was a happy teacher for 32 years. My salary was modest, but I believe in public education and I looked forward to retiring with the health care I was promised, and I've been really pleased with it, Medicare with GHI Senior Care. Um, I never asked for a change, certainly not to an inferior Medicare Advantage plan to, to save 600 million, to use a common expression we've heard all day, the city threw

us under the bus, and another thing we've already heard, hah, Eric Adams yesterday, recently said that this change amounts to a bait and switch, and while I would agree with that, he is correct on that. So I learned in early May that my union, the UFT, had been negotiating secretly for three years to make this change. Well, I was shocked. I was angry, um, and so in order to let other, other people know, my caucus, which is called Retiree Advocate, we planned a webinar. 425 people quickly, quickly registered. None of the attendees had any idea that their health care was about to change. There was confusion, fear, anger, from retirees all over the country. It hasn't changed much, either. The information that we got, or should I say the sales pitches that we have heard since then have been false, incomplete, confusing, and ever-changing. Even now if you call any of the numbers of you've heard this, we are still getting different answers to the same question. So it says in the booklet that we received, and I was gonna hold it up, but I forgot, I think it's around someplace, that this is only a guide, not a contract, and then I'm gonna quote, "The entire provisions of benefits and exclusions are contained in the benefits chart

and the evidence of coverage, EOC, which are received upon enrollment. In other words, we get all the information after we are enrolled. I think that is illegal, which is why the, the judge, um, gave us an injunction, and if this goes in we're gonna have a two-tiered system, those that can afford and those that can't, and you've heard that before, too. So I'm gonna end by saying yes, healthcare costs are out of control. But we can't afford free health care in this country. How can we do it? We're gonna cut the military budget and fund our community needs, fairly tax rich, and the real estate, financial, and banking industries.

UNIDENTIFIED: Thank you.

GLORIA BRANMAN: And we need a national health care. If we had the New York State, the New York Health Act, we wouldn't be wasting our time now here. So, um, in, in, um, closing I ask you please just stop this from happening. Thank you.

[applause]

CHAIRPERSON MILLER: Mr. Rosen?

BRUCE ROSEN: Yeah, Bruce Rosen. Um, a lifelong New Yorker, um, I was employed by, um, the city for three-and-a-half decades, most of that time

with the Department of City Planning. Um, I am a retired member of DC37, um, the Civil Service Technical Guild. I managed to be on as a retiree a so-called town hall, um, telephone call last night, um, with the head, Henry Garrido. Um, when I got the call and Mr. Hisakoo was here, who heads the retirees, didn't get a call so he couldn't be on it. Um, I got the call, said it's in progress. Never got a prompt to say how to ask a question. Mr. Garrido, who is, um, very polite all through, and just repeated all the hackneyed things that everyone has said here, and then there were questions by whoever it was knew how to get in. I had tried the star this, star that, and didn't want to keep doing it 'cause I might get disconnected. Um, and then one of the callers said hi, Henry, this is such-and-such, and he says has this been set up to, to friendly callers? But one of the interesting things that he said was is that there will never be an opt out, you know, time after this one. This is your last chance. Um, for the first time I got a trifold yesterday from the union explaining what this was about. Yesterday! We technically have 'til the 31st through whatever it is. Um, as you've heard from many people, the

information and the misinformation has been hard on this. Um, as someone who has, all of the, all of the information has been geared to a single option that, that people have which seems to be GHI Emblem. I am in Aetna. Never could I, could I find any information. And I have to tell you, I, they have elements in my current thing that, you know, a nurse will call you. My then-nephrologist, when I was getting these, these quotes that stop listening to them, they are literally gonna make you sick. For the option of this health the, um, um, sports clubs thinks they only have value if there are free courses, you know, they're, and you never use a personal trainer. Otherwise, the health club has no value to anyone. But I think the most telling thing, I was one of the people who took part in June in a die-in outside the state capitol in hopes that, um, the state legislature would bring up for a vote the New York Health Act, because they then had the votes. But the major unions, mine included, intervened to say, no, you can't do this because this is what we offer our employees and we don't really give a damn about anybody else in the state. People are hoping that they can bring it up in the next session...

CHAIRPERSON MILLER: [inaudible] wrap it up.

BRUCE ROSEN: But I think you have to look systemically, and one more thing, sir, the costs aren't just driven by the unions, like CBC, what have you. The previous governor promoted, um, unification of the hospital systems and lots of closures in this. I can tell you, and one of the big hospitals will tell you that, if you're in one unit of say Mount Sinai they may or may not accept your insurance. They may not accept it on the floor that you're on. Um, I had that experience. I had that with my late mother, bringing a 92-year-old with an aide to, to, to a hospital for an appointment that's made and to find out that she wasn't covered and having to reschedule that. So this is the kind of system that has holes in it and I don't think it's an improvement.

CHAIRPERSON MILLER: Did your mother have Medicare Advantage?

BRUCE ROSEN: Excuse me?

CHAIRPERSON MILLER: You said that you took her to the hospital and, and, and then, and the

insurance wasn't accepted. What kind of insurance did she have?

BRUCE ROSEN: This, this was, was on Medicare, I think it was GHI then. Um, but they didn't accept it and they would say you have to be specific. The hospitals all have multiple sites now, as you know. They have the, the outpatient satellites for their physicians, and you have to check with each one, and you literally have to check for unit by floor.

CHAIRPERSON MILLER: [inaudible].

BRUCE ROSEN: The procedures for intake for the emergency room are not...

CHAIRPERSON MILLER: [inaudible]

BRUCE ROSEN: ...the same upstairs where the beds are.

CHAIRPERSON MILLER: OK.

UNIDENTIFIED: I'm speaking on behalf of my friend and former coworker, Dana Simon, and I'll just speak, I'll give part of her, um, testimony, and then she's just gonna add something. Dear City Council Members, I am a retired New York public librarian who worked for over 20 years. I am legally blind and hearing impaired with two cochlear

implants. I want to let you know of the plight of city retirees. The current administration and some union heads have made a backroom deal to take away our Medicare that we fought for. They want to switch us to a single private Advantage Care plan and penalize us if we choose to stay in our current public Medicare GHI plan, which a majority of us are on. New York City Organization of Public Service Retirees is the one organization that is fighting for retirees in court and won an injunction. My union, DC37, is still telling we need to opt out to keep our current plan. What that means is we will have to pay additional premiums which will cost my husband and I over $4800 a year and charging us co-pays and no yearly maximum. Dana, do you want to say something?

DANA SIMON: And, and also the yearly maximum, we did not have any co-pays last year, so we didn't need a maximum. So now they're taking away the maximum. OK, continue to read the next. I also want to say I retired because I lost my vision, so, um, but while working I did receive a cochlear implant and at that time I was on an Advantage Care and I received one cochlear implant and then when I received my second my doctor was the head of NYU ENT,

um, and he, he, um, they said my, ah, the plan said my, ah, cochlear implant was experimental to have a second one. They used outdated data from the 1980s to say it was experimental. It had, my doctor had to go all the way to state court. All three doctors in the state court agreed that my cochlear implant was necessary, so the plan denied it. Continue reading, Chris.

UNIDENTIFIED: OK. My husband's doctor was listed as being on the Advantage Plan, but he is not. As he is out of network, we will have to pay up front every month and hope we get reimbursed. I was told different answers when calling the insurance hotline about tests and specialists. I am also told I will need approval to obtain supplies for my cochlear implant, which I don't have to do on my current plan, which just bills Medicare. Do I have time?

DANA SIMON: Can I add a little to that?

UNIDENTIFIED: No.

DANA SIMON: OK.

UNIDENTIFIED: We're finished.

DANA SIMON: OK. Ah, we called Alliance and, ah, they actually called my husband's doctor.

He told them he would not accept their plan, even after they so-called educated him. He didn't, he said he wouldn't take their plan. They said in that case he's out of network. They don't say how you're supposed to pay or what you're supposed to do if you have to submit your bill to the plan. You have to pay up front, and every month send in a claim form and your receipts. And then the insurance company will have to pay you back. So you're gonna have lay the money up front if your doctor is out of network.

CHAIRPERSON MILLER: OK, thank you. Thank you, panel. I, I do have a question. Were, were you told, um, who told you very specifically, or told your husband, that the process would now be that you had to pay up front and, and would be reimbursed.

UNIDENTIFIED: Who told your husband that he has to pay up front?

DANA SIMON: Ah, Alliance, ah, their 833 call number told us this.

CHAIRPERSON MILLER: OK.

DANA SIMON: OK. They also told, first they said to see a specialist, you don't need preapproval. But then they told me to see a specialist to do any test or anything like that would

need preapproval. So therefore the specialist needs to be approved by a primary doctor.

CHAIRPERSON MILLER: Thank you.

DANA SIMON: So I was given two different answers on two different times.

CHAIRPERSON MILLER: Right, right. OK. So we, thank you.

DANA SIMON: The other thing is my...

UNIDENTIFIED: Dana, we're finished.

DANA SIMON: OK, we're done, OK, sorry.

CHAIRPERSON MILLER: Thank, thank you, but we, we, listen, all this information is going to go back to, to OLR, it's gonna go to the providers, and, and that's why we're here today, to make sure that, you know, whatever happens, that this information, that your voice is being heard. If you wasn't in the room when this thing was being formulated, you're certainly in the room now. So thank you.

UNIDENTIFIED: Thank you very much.

DANA SIMON: Thank you.

CHAIRPERSON MILLER: Next panel.

BRUCE ROSEN: Council Member Miller, is there a chance you could prod your colleagues on the

Health Committee to also have a hearing on this, because it fits into the, the broader framework of how health care is delivered in the city.

CHAIRPERSON MILLER: OK, they, they actually had a similar hearing last Friday.

BRUCE ROSEN: They did?

CHAIRPERSON MILLER: Yep.

BRUCE ROSEN: Thank you.

CHAIRPERSON MILLER: OK. Barbara Turkowitz, Linda Ostriker, and Lisa Lauren. Let me see [inaudible] mess that one up.

UNIDENTIFIED: Would you like me to start?

CHAIRPERSON MILLER: OK, please.

BARBARA TURKOWITZ: Hi, I'm Barbara Turkowitz. I know it's been a long afternoon. Thank you for still being here. I've sat on that side of the dias for 12 years when I worked at the City Council, so I know what it's like when the hearings run a long time. I submitted comments, but I'm not going to read them. Um, instead what I'm going to do is to say that as a retiree there is very little clout that you have in anything that goes on. If the unions, I, let's be, I was never part of the union so

I wouldn't be represented in any way on the MLR, the MLC. I was managerial. Um, but separate from that, even in the unions, people who were union, do not vote once they're retirees in almost any of the unions. That means that the union leadership is not beholden to them and that's not the people that they listen to most. Even if they got the world's best deal on this particular contract, there's no guarantee that once you separate out this group and make it separate that they will ever have enough clout at the time to negotiate these in terms going forward. It puts everybody in a vulnerable position. So I really think that this bifurcation and moving these into separate systems creates an enormous amount of fear for reasonable reasons on the part of retirees. The other thing I want to say, having spoken to my cousin, who is a gerontologist and my own doctor, and it reiterates some of what you've heard from other people, is that the problem with these plans is not that you can't see a doctor, it's that once you walk into the doctor's office they can't do anything without preapproval. That's not true for Medicare. Medicare has very few preapprovals, and this has a lot of preapprovals.

Even if my doctor wants to send me to physical therapy they need preauthorization. My doctor says he's not interested in doing all these preauthorizations. That's not the way they work. It doesn't, doesn't work for their office. So I think that's where the disciplinary lies.

CHAIRPERSON MILLER: Thank you very much.

UNIDENTIFIED: Hi, um, can you hear me?

CHAIRPERSON MILLER: Push the red button please.

Can you hear me now? OK.

CHAIRPERSON MILLER: Yes, ma'am.

LINDA OSTRIKER: Ah, I'm Linda Ostriker. I used to work for the City Council, um, as the budget analyst for the Health Committee, and I've been doing health policy for a very long time. You've asked why retirees don't like this plan. It's because there's no magic wand that the city can wave to make this Medicare Advantage plan better than all the other Advantage plans. We can only go by the records and data about what other plans are like. The one thing we know about this plan is that they totally fumbled a hotline that was supposed to inform us. The GAO, the US GAO, found that people in their

last year of life were two or three times more like than at other times to move from Advantage back to traditional Medicare, because that's when they need the best care. The National Bureau of Economic Research found Advantage plans take in 30% more money than they spend on health care. Spending for patients in traditional Medicare is 20% higher than for those in Advantage plans. People in Advantage plans get 15% fewer call enhancer screenings, 24% fewer diagnostic tests, and 38% fewer flu shots. And the city's new Advantage plan is, as we've heard, going to catch us with the prior approvals. I saw the list of services and there are over a hundred of them. Any in-network doctor is supposed to know every service that he has to get prior approval for, or else he's gonna get stuck with the bill. So if they don't want to get prior approval then they'll, some of them will not even recommend certain services and others will leave the plan. The catch is if you go to an out-of-network doctor then you have to pay for the service if the plan gets the bill and decides that it wasn't necessary, and that, those costs are not subject to any out-of-pocket limit. Thank you.

LISA LAUREN: Good afternoon, everyone. My name is Lisa Lauren and I retired from city government in 2018 after 33 years of public service. From November 2002 to November 2012 I was the deputy agent chief contracting officer at the New York City Department of Finance. And I was a member of the, ah, the National Government, I'm sorry, the National Institute of Government Purchases, Purchasers, since 1997. I served as president of the local New York City chapter for three years. My comments relate to the procurement process for the chosen Medicare Advantage plan. I hope I'm not taking y'all in the weeds here, but I'm sure council members will know what I'm talking about. I'm concerned about the rushed, almost chaotic way the change was implemented. On October 18, 2021, a Notice of Public Hearing appeared in the *City Record*. All these things are attached. In accordance with procurement policy board rules, the proposed contractor has been selected by the negotiated acquisition method pursuant to such and such and such of the, um, procurement policy board rules. Per the procurement policy board rules, this method is used when there is limited time available to procure necessary goods or

services, when only a few vendors are available to provide the goods needed, or when a competitive procurement is otherwise not feasible. I would like to know the justification used by OLR in the selection and the approval of the negotiated acquisition method. Specifically, why was time limited for this procurement? The city and the unions agreed in 2018 that cost-savings measures were needed to strengthen the Health Stabilization Fund after raises were granted through collective bargaining. In other words, they took the money from the Health Stabilization Fund to fund raises. We all know this. It's in writing. The solicitation did not really appear, that was 19, ah, I'm sorry, 2018. But the solicitation. Oh, I'm sorry, I had so much more. May I continue. I just have another half a page.

UNIDENTIFIED: [inaudible].

LINDA OSTRIKER: OK, OK, that's fine. I'll just finish this part. Um, I'm sorry. Ah, OK, this solicitation did not appear to really get going until OLR's notice of request for expressions of interests as published in November 2020. Time-limited situations are usually when a vendor needs to

be selected quickly because an agency has to respond to a court order, or funds from an outsource will be lost, or an existing vendor has been terminated. I don't understand why it took them two years. Why was a more competitive procurement, such as competitive sealed proposal, not feasible? Everybody says RFP, but it was not an RFP. It was a negotiated acquisition, which means with one vendor. With all medical insurance companies certified to do business in this country, how many companies responded to OLR's Notice of Request for [inaudible]. Did the procurement go through the usual rules and oversight process, or was it rushed through under emergency Executive Order EE1, which suspended laws and regulations related to procurement in the city since the shutdown of March 17 due to COVID. I can see why this is health-related, but not necessarily COVID-related. In fact, I would argue that changing health plans for 250,000 elderly retirees during a pandemic is pretty dangerous. Furthermore, I suspect that OLR was able to do this without needing to bother with the normal reviews afford by the checks and balances that are attached to procurements of this size and scope. You can read the press releases from, um,

Comptroller Stringer saying that thousands of, thousands of contracts and billions of dollars have been let by the city without any oversight approval by the comptroller's office under the emergency rules, and I suspect that's how they got this done. Um, just in closing, I object to this rushed, non-competitive, ill-conceived acquisition done without considering the needs of the retirees who performed their jobs in good faith for decades, and with the understanding that contractually the city would supplement their Medicare.

CHAIRPERSON MILLER: Thank you, and I appreciate your, your expertise and, and, and certainly, and bringing a different vision and different voice to this process that we have not heard about that. I'm concerned about that as well, but, you know, we're not, there's, there's a little experience on this side of the table as well.

LINDA OSTRIKER: Good.

CHAIRPERSON MILLER: Right, and...

LINDA OSTRIKER: I just know when I...

CHAIRPERSON MILLER: That they just don't get to say and, you know.

LINDA OSTRIKER: Yeah, and I'm sorry for the weeds.

CHAIRPERSON MILLER: That's why we're here. But we do...

LINDA OSTRIKER: It's very difficult to get a negotiated acquisition and [inaudible] so.

CHAIRPERSON MILLER: And, and we're here, and we're taking notes, and, and, ah...

LINDA OSTRIKER: Thank you.

CHAIRPERSON MILLER: And this certainly will, will be a part of whatever happens. Um, this voice will be heard for sure.

LINDA OSTRIKER: Thank you.

CHAIRPERSON MILLER: Thank you, panel.

LINDA OSTRIKER: The other data is in my written testimony.

CHAIRPERSON MILLER: Yep, OK, I have it here. Judy Arnow and Michael Schulman, Ellen Fox. OK. Ah, if you could, Sergeant at Arms, take those testimonies and we will adhere to two minutes because the room has to be cleared. How about we go with Martha Cameron? Is Martha ready? She's ready to go. Martha, you know what happens when you, when, when

you are so ably ready? And you jump in and pitch hit? You get to start. Put you right to work.

MARTHA CAMERON: Is this on?

CHAIRPERSON MILLER: It's off now.

MARTHA CAMERON: OK, got it.

CHAIRPERSON MILLER: There ya go.

MARTHA CAMERON: OK. So I'm not a union member. Ah, I am the spouse of a DC37 retiree. And I'm not gonna read this stuff because everybody's mostly said it already. Um, the issue, I'm going to just hit the high points. The issue of representation, the retirees have had no representation. We don't vote in union elections. They don't, they can't go out on strike. They have no leverage and that's why the money is taken from the retirees and not elsewhere, because they can't vote Henry Garrido and Mulgrew out of office. That's one. Two, you've heard all about the co-pays, the preauthorizations, the denials. Try and deal with that stuff when you've got glaucoma, when you've got Parkinson's, when you're 89 years old and you don't know how to use a computer. It's impossible. Three - there are two city plans. One is the Medicare Advantage that they want to foist on us. One is the

one we have now, which is Senior Care. That is traditional Medicare plus Medigap. What they're doing is they're shifting everybody onto the Medicare Advantage. They should have made it opt in voluntarily if it's so great, and let us keep the Senior Care. The problem is with these two plans is we're creating a two-tiered system - those who can afford to stay out of this Medicare Advantage will do so. And if you look at who can afford, they're gonna be predominantly white, as you can see from this room, predominantly male, and younger. Old retirees are existing on smaller pensions and people who are of color and are women are the ones who are the low-wage workers in this city predominantly. They're getting screwed. I want to speak specifically to the hidden agenda behind all of this. Nationally, 43% of Medicare enrollees are now in Advantage plans. These are not Medicare plans. These are a way of funneling our tax dollars, our contributions, into private for-profit corporations. They are allowed to skim 15% right off the top for their own profit and hand us back whatever they feel like. This is privatization of one of our greatest public sources of wealth in this country and if they go after the Medicare

they're going after Social Security, the way they're going after every other damn thing in this country that the neoliberals and the neocons have manufactured for us. No other civilized, industrialized country has this mess. I grew up in Canada. I know what Canadian health care is like. I know what it's like in Italy, where my sister lives. This is a mess. It's expensive, and it's for making money. We are not patients. We are profit centers....

CHAIRPERSON MILLER: Thank you.

MARTHA CAMERON: ...for these private corporations. That's my thing.

CHAIRPERSON MILLER: Thank you, thank you. [applause] Go ahead, sir.

MICHAEL SCHULMAN: Ah, thank you, Chair. Ah, thank you to the council. Ah, my name is Michael Schulman. I'm a New York City retiree, 36 years of service, and, ah, former vice president of the United Federation of Teachers. And I'm a Brooklyn resident. 56 years ago a kid was growing on Tilden Avenue in Brooklyn. His family home was four houses away from the home previously owned by Jackie Robinson, the great African American baseball player. His hero

represented greatness, but most importantly honesty and integrity. That kid was me. It was during the Vietnam War and I was outraged and repulsed at the lies and hypocrisy being fed to the American people. Little did I know that 60 years later I would experience similar feelings at being fed lies, obfuscation, and misinformation from my city and my own union, the United Federation of Teachers, regarding the switch to Medicare Disadvantage. As the council is surely aware, New York City retirees did not find out until mid April, when an alliance of retiree organizations, COMRO, we heard one of their representatives, issued an open letter to Mayor de Blasio and the Municipal Labor Committee. Deriding the lack of transparency and backroom dealing regarding this particular deal, who would believe, ah, it. Was traditional Medicare broken? Were droves of retirees complaining about their medical coverage? Instead, we found out it was about a bait and switch deal agreed to years earlier to save the city 1.1 billion dollars in exchange for salary increases for city workers. What could be more outrageous than a deal to offer salary increases at the expense of retirees, who in their golden years

expected stability and security. Ah, I'm gonna conclude with a short story. I'm aware of the limits. I received an email forwarded to me from a city retiree, who wrote to our union president, Michael Mulgrew. The retiree wrote, I called my doctors and they said they had never heard of this plan so they can't tell me if they will accept it. Mr. Mulgrew's response was we can't stress enough, you can continue seeing your current doctors as long as they accept Medicare. We heard that again today here. If your doctor accepts Medicare you [inaudible] see them, etcetera, etcetera. Last week I had a visit with my endocrinologist. I asked him specifically if he was going to accept Medicare Advantage. He told me he was not accepting Medicare Advantage and to make an appointment to see him in three months. I didn't tell him, but this was after the period that Medicare Advantage takes, ah, effect. I implore the City Council to do all in its power to end this corrupt deal. Thank you.

UNIDENTIFIED: It's on?

ELLEN FOX: Yes. My name is Ellen Fox. I'm a teacher who retired after 37-1/2 years in service, and I'm active member of the UFT to this

day. I'm here to address an issue which has been nagging at me for some time but has, I believe, never been clearly formulated. It's a question of legality. When I first became conscious of the change of medical plans before us, nothing had been elaborated about details other than soothing words from our union hinting at white glove concierge service and better service than we had ever had before, all to save the city money. It seemed implausible and I grew nervous. Then in late August or early September the Alliance actually sent out a guide, and here I've brought the guide with me, right here, the only piece of information that we have received to date from anybody. Um, OK, OCG nerd that I am, I read straight through, even going where most people don't, the appendix. And it was in the appendix that I found lots and lots of very interesting things, a little of which I highlighted. But two paragraphs really caught my attention. The first on page 3 of the appendix reads as follows, "This guide, um, where am I, um, is intended to be a brief outline of coverage and is not intended to be a legal contract. The entire provisions of benefits and exclusions are contained in the benefits chart

and evidence of coverage, which are received upon enrollment, i.e. January 1. Emphasis here and elsewhere, I'm sorry. Um, in the event of a conflict between the benefits chart and this guide, the terms of the benefits chart and the OSC will prevail. I was shaken by the unfairness of it all. After all, the opt out date set for October 31, and no concrete information had been given us regarding actual doctor or medical equipment availability or procedure permissibility under the new plan, and we're not scheduled to even set eyes on the exact terms of that plan for two months after our opt out date had expired. It seems so unfair. But very recently I took another look at a different paragraph I had highlighted, and my entire understanding of what was seriously wrong with the whole picture came to mind. That paragraph is hidden deep on the very last page of the guide, which seems to be given over to legalisms. It reads as follows. Benefits and services authorized in My City Medicare Advantage Plus evidence of coverage document, also known as a member contract or subscriber agreement, will be covered. Suddenly, I realized that my relationship and the relationships of all other city retirees

without healthcare providers had changed. For decades we had been what the ultra right likes to call recipients of government entitlement. In other words, Medicare and a city government-provided supplement.

CHAIRPERSON MILLER: Ms. Fox, please wrap it up.

ELLEN FOX: Umm.

CHAIRPERSON MILLER: Thank you.

ELLEN FOX: Yeah, just a little bit more. Now we seem to have been put into a different position altogether. Now we have been made parties to a contract, the elusive benefits chart and evidence of coverage, which no one is likely to see for more than two months as of now. Suddenly, my post-retirement training as a paralegal kicked in and my...

CHAIRPERSON MILLER: Thank you.

ELLEN FOX: OK.

CHAIRPERSON MILLER: OK.

ELLEN FOX: Just bear in mind, this may [inaudible]...

CHAIRPERSON MILLER: I, I appreciate your time very much, Ms. Fox.

ELLEN FOX: ...the violation of contract law.

CHAIRPERSON MILLER: OK.

ELLEN FOX: And I've checked that with many lawyers.

CHAIRPERSON MILLER: Thank you.

ELLEN FOX: We all agree.

CHAIRPERSON MILLER: Mr. Schulman, thank you.

MICHAEL SCHULMAN: Thank you.

CHAIRPERSON MILLER: Thank you to the panel. Next panel. Ruth Solomon, Gerard Rosenthal, and Jacqueline Shiralis. Barnett.

UNIDENTIFIED: Jacqueline. Do I have to?

UNIDENTIFIED: [inaudible] thank you. OK. I'm gonna try. OK. I began working as a speech therapist...

CHAIRPERSON MILLER: I'm, I'm sorry.

UNIDENTIFIED: No, nope, still on. Can you hear me now? OK, I'm sorry. OK, I began working as a speech therapist for New York City in 1988. At that time I realized I was not going to be getting the high salary of my counterparts in private practice, but I was assured I would be, when I

retired I would be getting a pension and health insurance for myself and my dependents, the results of years of collective bargaining agreements and contracts between the unions and the city. That's why I'm heartsick that the unions and the mayor's office have made secret backroom deals aimed at forcing New York City retirees into a Medicare Advantage plan, against their wills, with no voter input. I know they've been talking about how you can see any doctor that takes Medicare, but that's just not feasible for many people. No doctor is required to take Medicare. I mean, is required to take this MAB. No doctor is required to put in for the preauthorizations, which we all understand is a major part of this, ah, program. I also want to point out that if you live in New York, they, he was talking about what great percentage of doctors take, are in their plan, but right here, Kessler Rehabilitation, New York Neurologic Associations, and Maimonides Medical Center are not in the program. But if you go outside of New York, the Philadelphia Health Center is also not in the program, and that is the only health center that's servicing Neshoba County. Suddenly those retirees are going to be either paying

out of pocket a lot of money or traveling an excess of an hour for they care that they already receive. Excuse, that they already receive locally. This is, it's gone. The plan's requirements for preauthorization is also not fair. They give themselves two weeks each time a person has, they need a procedure. Even when, even in what the plan considers an urgent situation, they give themselves 48 hours. Would you want to hang 48 hours by your fingernails waiting for a decision for an urgent situation? And who makes this decision, a doctor or a clerk trained to look for cheaper procedures? The $200, if you want to stay in, one last sentence, if you want to say in the plan it will cost you almost $200 per month per person. This isn't feasible for many of us who retired years ago on small pensions that have not kept pace with inflation. The judge called that a penalty, which is truly is, and it is truly unfair. Nobody became a civil servant to become rich. Became a civil servant to serve the community and return and have a stable life. Now that we're on a fixed income it is completely unfair to reduce our benefits and throw everyone into an

uncertain future. I'm asking you today to stop this plan permanently. Thank you.

CHAIRPERSON MILLER: Thank you [inaudible].

JACQUELINE JOHNHOUSE BARNETT: Hello. My name is Jacqueline Johnhouse Barnett. I'm a retired school psychologist who was employed by the Department of Education for 25 years. Um, I'm not sure I'm going to read, um, my prepared statement because I think most of the points have been made earlier in the day and, and I don't want to be repetitious. Um, but I do want to say that as, as a dues-paying member of the UFT, ah, there was absolutely no input from the rank and file about changing the Medicare plan. And it was a top-down, closed, closed-door political deal between the mayor and the Municipal Labor Council to save 600 million dollars at the sacrifice of the health and welfare of their retirees, and as someone else pointed out, we are low-bearing fruit. Ah, secondly, we have apparently been allied to, we have been lied to, ah, as it is becoming obvious that most doctors have never heard of this Medicare Advantage plan by the city and that they are saying that we will have

absolutely no, ah, additional costs and will have exactly the same care. But there is no accountability. Who is guaranteeing that to us and where are the 37,000 members, um, of providers, where, who, where is the list of 37,000 members that say that they will accept the Medicare Advantage plan? Um, most of the doctors that have been called and other providers have no awareness that this plan exists, so there is tremendous lack of planning on the part of the implementation of this plan. Um, it's also a network-based system, which is very much more, um, exclusive than the Medicare-provided plan. For instance, also, I mean, as a psychologist I see that this plan brings tremendous anxiety to, um, all seniors, um, because of the uncertainty of needing prior authorization, not knowing whether, um, you're gonna be covered or not, or whether you're gonna receive a bill in the mail and then have to spend days trying to straighten it out with an insurance, ah, provider, um, and for instance I had to go to an emergency room last year and now I'm being told that if, um, ah, a specialist comes into to see you, you don't know whether they're going to accept Medicare Advantage plan or now, whereas now if a specialist

comes into to see you, you know that you have that coverage. So those are the types of psychological stresses that are gonna be put on the elder population, and I think, you know, in terms of mental health it's gonna be costing, um, the city more mo in the long run. Thank you.

CHAIRPERSON MILLER: Thank you. Roberta?

ROBERTA GONZALEZ: Hi. Um, good afternoon. My name is Roberta Gonzalez and I'm a resident of Brooklyn, New York, and I'm a former New York City manager and current New York City retiree. Um, thank you for the opportunity of letting me speak about this very important issue today. Um, the New York City Health Advantage Care Program, the Medicare Alliance, and Voice My Concerns About It, um, I am a manager, I was a manager at New York City Department of Health and Mental Hygiene, worked across the street during 9/11 at 225 Broadway, and my program was charged with developing 9/11 trainings for medical professionals on dealing with bioterrorism and weaponized biologics, and the possibility of a radiological event. I worked in a privately owned building that was never properly cleaned and, um, it's around the corner from the World Trade Center.

I an my fellow coworkers sat amidst the dust particles and foul air for at least three years after 9/11. We were dedicated employees and we were doing our work for the city and the people of the city, despite the foul air, dust, and horrible cough and allergic reactions we were having. Twelve years later and post retirement I was diagnosed with a rare neuroendocrine lung cancer related to my 9/11 exposure, as well as World Trade Center-related illnesses, including thyroid cancer, which was discovered just two years ago. Um, it's taken me quite a while to find doctors that were able to diagnose this very rare lung cancer. If I had to have prior approvals for tests and I had not had the broad range of doctors to go to, I might not have found anyone that could diagnosis and help figure out a plan to monitor this lung cancer that I will have to live with and try to control the spread of for the rest of my life. The thyroid cancer was also misdiagnosed during the pandemic, but because of Medicare and my senior GHI I was able to find a local doctor who was capable enough and able to diagnosis the thyroid cancer while it was still fairly small, but it had spread outside of the thyroid gland and I

will have to be watched carefully for recurring cancer. I am now under the care of a doctor at MSK for the thyroid cancer. Um, I was told initially that they weren't going to accept Medicare Advantage. Now I understand that there's a signed contract. But I know how it works, that not all the doctors, the hospital may accept, but not all the doctors in the hospital accept it, and so I've had bills come from places that were unexpected along the way, even with my current plan. I don't understand in the new plan that they're proposing why there is a network. If all doctors will accept the plan, why do you need a network? To me that is a conflict and, and I don't understand why even using that term is, um, there. Um, I feel as though, um, I have been opted into something without my consent. I feel like I woke up in a strange house one day and don't know where I am, and that if I want to go back to my current house I have to pay $200 a month. Is that blackmail? Is that a penalty? What is that? How, how do you do that to somebody? Especially somebody who has pre-existing conditions. If I, I've read and it's in the ARP this mo that if your, um, if you are not in regular Medicare, original Medicare and you're in a

Medicare Advantage plan and you try to go back into Medicare they don't have to let you back in. They can say you have a prior existing condition and you'll be shut out, or you'll have to have a long waiting period and pay extra money. I, I, I can't abide by that.

CHAIRPERSON MILLER: Right. Thank you.

JACQUELINE JOHNHOUSE BARNETT: Thank you for listening.

CHAIRPERSON MILLER: Thank you for, thank you so much for your testimony. Thank you all for your testimony [applause]. Very insightful. Jeffrey Kaufman, Roberta Klein, and David Chester. Is that David or Jeffrey.

DAVID CHESTER: David.

CHAIRPERSON MILLER: That is David, and, ah, Sheila Kelsey again? Maryann Taskoff. Come on down. Antonia Minuella. Antonia? [inaudible]? David, Maryann, and Bennett. OK. We are on a two-minute timer and we will, judging by these cards all filled we have a few more panels, let's, David, you can begin, sir.

DAVID CHESTER: Thank you. My name is David Chester. I'm a 70-year-old public service

retiree, having worked for the city for 37 years. I recently witnessed a court hearing about how to implement the proposed New York City Medicare Advantage Plus Plan for 250,000 New York City public service retirees. Allen Klinger, council to the New York City Municipal Labor Committee, falsely claimed that the MLC was acting on behalf of New York City retirees and that the unions had our best interests at heart. How is this possible when we were never consulted about what we thought was best for us, or what our needs were, and how is being blackmailed into accepting this subpar and restrictive Medicare disadvantage program, or worse, being extorted by having to pay a substantial monthly premium for our current health care plan that was always a premium-free, a good deal. The city is trying to fund its bloated 99 billion dollar budget by taking 600 million out of the pension checks of its former employees, who are living on fixed incomes and food out of the mouths of retirees' families. Part of the bargain we made when we decided to dedicate a substantial portion of our lives to city service was good benefits in lieu of a salary commensurate with the private sector. Health care was and continues to

be the most important, especially for an elderly, infirm, and sickly population. To threaten or diminish our health care now, when we are the most vulnerable, is the ultimate betrayal. The only way to ensure that we will continue to receive quality health care at an affordable price and to make sure that we will not be irreparably harmed would be threefold. One, do not impose an unaffordable monthly penalty on the health insurance we now have premium-free. Two, do not impose the expensive new co-pays, another penalty, and, three, we should not have to opt out of an imposed Medicare Advantage plan in order to stay in the supplementary plan we are currently enrolled in, which is yet another penalty. In other words, Medicare Advantage for those who want it with a carve-out for those employees who are happy and well cared for in their current plans, with no premium financial burden nor co-pay penalties. This is the only equitable solution for New York City retirees. Thank you very much.

CHAIRPERSON MILLER: Thank you, sir. Well worth the wait.

UNIDENTIFIED: OK. Ah, I am reading this for Leonard Rodberg. I am Leonard Rodberg,

professional emeritus of Urban Studies at Queens College, CUNY, and I am also the research director of the New York Metro Chapter of Physicians for a National Health Program. On July 14, the Municipal Labor Committee, representing the city employee unions, voted to approve the plan to move city retirees from government-provided Medicare to a private Medicare Advantage plan. That day, the mayor's office released a statement which said that as long as the provider takes payment from Medicare they are obligated to accept the NYC Medicare Advantage Plus program payment. That statement is a lie and it still appears on the mayor's website. Many providers refuse to join Medicare Advantage plans and it is their perfect right to do so. A principle reason for their resistance is that these insurers cut their costs by requiring prior approval of any test or procedure. For seniors, many tests and procedures are needed. Doctors cannot treat their patients properly when they need permission from an insurance company eager to limit their spending. In fact, the new Medicare Advantage Plan will be spending 840 million dollars less on providing medical care for the city's retirees than

is now being spent through Medicare plus Senior Care. Not only is the city eliminating its subsidy of their care, but for-profit Empire Blue Cross and nonprofit Emblem Health continue to pay extraordinary salaries to their high-level staff. Emblem's CEO just got a 66% raise to 5.3 million dollars. The current public Medicare plan, which retirees have, is equally available to all. The new private Medicare Advantage plan will increase the inequities in our healthcare system, already displayed in this year's, past year's pandemic crisis. May I continue? Thank you. Higher-income retirees can opt out, pay the $2300 premium for the new senior care, and stay on public Medicare. Those with lower incomes, the black and brown retirees and the women, will have to accept this inferior private plan. The cut of nearly a billion dollars in healthcare spending will have real consequences for retirees - less access to care, more illness, people will die. So the city can save money, insurers like Empire can enjoy growing profits, and leaders of so-called nonprofits can make millions. The people who have served the city deserve better. Thanks to an influx of federal money, the city is in good financial shape. There is

no excuse for this attack on the well-being of its retirees. Instead of going backwards to privatize retiree health care, the city should continue to support senior care so its retirees can stay on public Medicare, which is working for everyone. Meanwhile, we should all be working towards the best to contain the rising cost of health care through a comprehensive government-funded program like the New York Health Act, which would make affordable health care available to all New Yorkers. Thank you.

CHAIRPERSON MILLER: Thank you [inaudible].

MR. FISHER: Yes, hi, thank you. Ah, I'm a retired public school art teacher, um, from PS-231 in Brooklyn, where I taught children on the autism spectrum for 29 years, and, um, I support public education and I support public Medicare. We should be working to expand Medicare and not sell it off to private profit-making insurance corporations. But no matter what you may think about the privatization of public medicine or the city's Medicare Advantage plan, the roll out of this particular pork barrel has been a gigantic mess. And not just the usual mess one would expect from an citywide administrative

shift, but a mass so huge in scale, so irreparably harmful in its potential consequences, that the process has been, thankfully, temporarily enjoined from moving forward. In a city in rich, as rich in resources, creativity, and talent as ours, we have other options to keep our budget and our retirees healthy. Why would the city sell off its obligations to its retirees to an alliance created in a corporate lab that can't even behave with a minimum of competency or transparency? This Frankencorporation has not yet shown us an explanation of benefits. All we have is that 40-page sales pitch packet. Nor have they explained their plan to the providers, whom they claim will be accepting it. Time after time, doctors are informing retirees that they are either unaware of the Alliance plan or have no intention of accepting it, and time after time the city and the insurance CEOs dismiss our experiences. It is very insulting. Thank you for listening us here today.

CHAIRPERSON MILLER: Thank you so much, Mr. Fisher. Thank you to the panel.

MR. FISHER: But I do want to tell you one more thing, and that is that as a, as a member of the Retired Teachers Chapter Health Committee on the,

in the UFT, United Federation of Teachers, we went to a presentation that these people gave back in July, these CEOs from this, you know, company. And CEO Karen Ignagny from, ah, Empire Health, when she was asked what would happen, what would be our recourse if our doctors didn't accept this, you know what she said? She said call her personally. That's about...

UNIDENTIFIED: What an answer.

MR. FISHER: ...their plan. That's where their plan is at. Thank you.

CHAIRPERSON MILLER: Thank you. OK. Ah, next panel, Nina Jody, Jacqueline Lyle, and Denise Rickles. Michelle Ravid and Elizabeth Spander. Elizabeth? OK, you may begin. Please state your name.

MICHELLE RAVID: Um, good afternoon. My name is Michelle Ravid. I'm a municipal retiree, having worked for the Department of Education from 1999 until 2019. My mom, who passed away last year, ah, three weeks after her 100th birthday, taught me that the most important thing in life is one's health and one should not be taking that for granted, nor cut corners when it comes to health insurance. Hence, when I first began looking for a teaching job

I walked away from the tempting salaries offered by the Westchester and Nassau County schools in favor of a substantially lower-paying job with the New York City Department of Education. My decision was primarily based on the values my mom had instilled in me about the importance of high-quality premium-free healthcare benefits that would be guaranteed for my lifetime. Had I known that I would be put into a Medicare Advantage plan when I retired, I would not have made that decision. Furthermore, at my UFT final retirement consultation in 2019 there was no mention of Medicare Advantage nor of co-pays. In August 2021 I received a letter in the mail informing me that I was being automatically switched to a Medicare Advantage plan. I'm not interested in such a plan, especially one whose evidence of coverage will not be available until the plan goes into effect according to the representative that I spoke to at the insurance company's call center. I am indeed acquainted with these private for-profit healthcare plans that require preauthorizations for a very long list of tests and procedures. Furthermore, my physical therapist and several of my doctors have stated that they have no intention of joining this

network and have strongly advised me to keep my traditional Medicare and my Senior Care at all costs. Therefore, I want to follow that advice, and I don't think it's fair that I'll have to pay $191 a month to do this. In addition, to co-pays which I've never had to pay during my retirement, I feel betrayed and lied to my union and by my elected city officials. It is unconscionable that during a global pandemic these leaders have chosen to save money on the backs of the elderly who have faithfully served our city. Thank you for your testimony.

DENISE RICKLES: Um, good afternoon. My name is Denise Rickles and I'm a retired teacher and a member of the UFT. Um, a 2019 headline reads "Health insurers profits topped 35 billion dollars last year. Medicare Advantage is the common threatened. In the article is says Anthem had 4.8 billion dollars in profits. The cost of premiums have risen exponentially and almost parallel to the rise of the for-profit and private healthcare insurance companies. The city has been trying to find its way out of its obligation to pay healthcare premiums ever since the rising intrusion of the private and for-profit healthcare insurance

companies. In 2014 de Blasio and Mulgrew negotiated a plan to save 3.4 billion dollars in health care by tapping into and depleting a 30-year-old billion dollar reserve fund in order to pay for salary increases. In 2018 de Blasio told the MLC the city didn't have money to cover the health care of retirees and the MLC was tasked with saving the city 1 billion dollars over a three-year period, and then saving 6 million dollars every year thereafter. Why is the health care of retirees, or for that matter, active teachers, on the chopping block? He can find that money with a few changes in his extravagant tax abatements to the real estate industry and other places. The alliance of Anthem and Empire has no track record or even a written contract. They are a brand-new entity. However, Medicare Advantage programs, if I may, not even a paragraph. They are a brand, they are a brand-new entity. However, Medicare Advantage programs have a long track record of not delivering. Furthermore, they are depleting Medicare. They make huge profits by negotiating low prices for medical services, denying medical procedures, and write up patients to be sicker than they are to get more money from Medicare. They

don't, you don't make multi billion dollar profits without skimming, skimping, and hurting others. I urge you, please, please review this and do not approve the, of this new Alliance program. Thank you.

CHAIRPERSON MILLER: Thank you. Thank you to the panel. Ah, that concludes our, that was our final panel. I want to thank you all for being here today, ah, for coming in, and, and, and if you will indulge me for, for, just a moment, is that we, we hear your, I hear, this Committee on Civil Service and Labor hears you. Um, and we have attempted to put this hearing on the calendar when, when the news of this first came out. And so this is not, and so I [inaudible] our persistence, your persistence is, is really what made this happen today. Um, we will take all this information back. We will dissect it. I, I assure you that, you know, I understand, um, your concerns gravely. I understand this process, its shortcomings, what should have happened, what may or may not occurred, will we get better, what do we do moving forward is something that we will do collectively. Um, my commitment is, is, you know, I've, I've seen all these great public servants come

before us this afternoon and testify. You know, you know, in my other life as a president and business agent and here as the chair of the Labor Committee, I preface it every hearing and every negotiation by highlighting the value of New York City's public employees, right. There's a reason why 65 million people come here every year. It is not the mayor. It is not the members of the City Council. It is the men and women, the women and men that deliver these critical services each and every day that gives this city value, right. They should be properly compensated, um, while they're delivering that service, but more importantly, the promise of retirement should be exactly what it was, right, so we, I have, and, and I will say this. I saw a lot of 36 and 33 and 37. I'm in my 38th year of service in this city, with the City of New York in some, some capacity. So this is my future and it is vitally important to me. I represent a community, um, that has the most public employees in, in the city, um, and retirees, ah, retirees that are, that, that either had low-wage jobs or, um, have been, their seniors have been retired for a long time and, and inflation has not kept up. And so this is a real

concern. Um, I have taken it upon myself to do a number of, ah, forums and town halls around this issue. Um, I would hope and, and you guys heard the testimony of OLR that they want to continue with their online presence. I just don't see how that's possible, um, given the demographics of the people that are being, um, impacted by this. You know, as I said, my mother, my mother's also retired UFT and, and with God willing in, in January she's 90, right, and while she can go to church on Sunday online she's not going online to receive this type of critical information. And so, um, your testimony here today is, is, has been really, really important. I appreciate, ah, everyone for, for just showing up. Um, we also, this is also the only in-person, ah, hearing that has been held probably in, in the last month and a half and, and we wanted for you to be able to come in personally tell your story. So, you know, I, I thank you all for coming out and, ah.

UNIDENTIFIED: Are [inaudible] testimonies being heard today?

CHAIRPERSON MILLER: I'm sorry?

UNIDENTIFIED: Are all submitted testimonies being heard today?

CHAIRPERSON MILLER: No.

UNIDENTIFIED: Thank you.

CHAIRPERSON MILLER: No, they, they won't all be heard. They will all be read into, um, they all will be read into the record, but they won't be all, won't be heard today.

UNIDENTIFIED: [inaudible]

CHAIRPERSON MILLER: Yes. OK. And so again, you know, thank everyone for, for coming out. This is so absolutely important, um, and you continue to serve by being here today and, ah, thank you so much. And with that, um, this hearing is adjourned. [gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.

Date November 22, 2021