

SEPTEMBER-OCTOBER 2021



Academic Year 2021-22 No. 1

psc-cuny.org/retirees.org

VIRTUAL CHAPTER MEETING MONDAY, OCTOBER 4. 1-3 PM ON ZOOM

HEALTHCARE: The meeting will be in two parts. 1 – 2 p.m.: Speakers will contextualize what is happening with healthcare for seniors. 2 – 3 p.m.: Questions and answer about what we need to know during the option period ending October 31.

A video of our September 13 chapter meeting is available at:
<https://www.youtube.com/watch?v=4jOwlalOuDI>

UPCOMING MEETINGS

FALL BOOK SERIES: *The Sum of Us* by Heather McGhee.

This fall the Retirees Chapter Anti-Racism Committee is sponsoring a discussion series of the recent best-selling book *The Sum of Us: What*

Racism Costs Everyone and How We Can Prosper Together by Heather McGhee (One World/Random House, 2021, hardcover or Kindle). The first session will begin on **Zoom Tuesday, October 12, 2-4 p.m.** The series will continue for four more Tuesday afternoon sessions in October and November. See page 10 of this newsletter for more about the book and how to participate. □

SPECIAL CHAPTER MEETING ON THE PSC PALESTINE/ISRAEL RESOLUTION will be Wednesday, October 20, 1-3 p.m. The Retiree Chapter's Executive Committee is working on the logistics of the meeting on the [PSC Palestine/Israel resolution](http://psc-cuny.org/clarion/august-2021/responses-israel-and-palestine) to facilitate the fullest discussion – pro and con. The August *Clarion* covers the controversy over the resolution at:
<https://www.psc-cuny.org/clarion/august-2021/responses-israel-and-palestine>



MEDICARE ADVANTAGE PLUS NEWS AND ANALYSIS

This month after a range of very well attended Zoom meetings (many over 500 people), we are finally beginning to get some answers from the NYC Office

of Labor Relations (OLR) about the January 1, 2022 shift to the new Medicare Advantage Plus Plan. (It's coming too soon!) We are also at last getting information about the monthly costs and procedures for staying on traditional Medicare. Hopefully, when you are reading this newsletter, you will have received a small brochure of information from NYC.

Because this is and will remain a burning issue for most of us, we are offering three analytical articles about: 1) how we got here—despite the PSC's protests, 2) what it means for us individually, and 3) the march toward privatization of Medicare.

WHAT YOU NEED TO KNOW ABOUT RETIREE HEALTHCARE

We have set up a one-stop webpage with updated information, important links, videos of information sessions and a history of the Chapter's response to NYC's healthcare changes. Go to: <https://www.psc-cuny.org/whats-happening-retiree-healthcare>

CHECKLIST FOR CHOOSING YOUR 2022 HEALTHCARE PLAN



We have created the first iteration of a checklist for the enrollment process. We will update it as we receive more information and get unanswered questions answered. **If you do nothing, NYC will AUTOMATICALLY enroll you in Medicare Advantage.** *Those who wish to stay in traditional Medicare must opt out.* Read more at:

<https://www.psc-cuny.org/choosing-your-2022-retiree-healthcare-plan>

THE TRANSFER TO MEDICARE ADVANTAGE: A CHRONOLOGY OF OUR CHAPTER'S FIGHT

David Kotelchuck, Hunter

HOW IT ALL BEGAN

The Municipal Labor Committee (MLC) is a group of almost 100 public-sector unions that negotiates healthcare coverage with the City of New York. In June 2018, completing a round of municipal labor-management agreements, the MLC signed an agreement with NYC to generate cumulative healthcare "savings" of over \$1 billion dollars over the next three years. In this agreement eight different areas of possible healthcare spending cuts were itemized, one of which was the transfer of 250,000 municipal retirees and their dependents from the original federal Medicare, which currently provides us coverage, to a privately administered Medicare Advantage plan. (See <https://www1.nyc.gov/assets/olr/downloads/pdf/collectivebargaining/health-benefits-agreement-fiscal-years-2019-2021.pdf>)

By April 2019, nine months after the "savings" agreement was signed, members of the PSC's Social Safety Net Committee had learned that these MLC discussions were going on, as noted in our committee minutes. We shared this information with the Executive Committee of the Retirees Chapter, which began to press the PSC union leadership for details.

Then, in the May 2019 issue of *Clarion*, President Barbara Bowen stated that NYC had refused to discuss wage increases with the unions until they agreed to "savings" on health care. In all her reports and PSC discussions thereafter, Barbara emphasized that when the City talks of "savings" that means savings for the City, not for its employees.

In the following months, informal discussions with President Bowen and Executive Director Debbie Bell continued. In December 2019 the Social Safety Net Committee, with Retiree Chapter support, introduced a resolution to the PSC Delegate Assembly (DA) that the PSC officers formally report to the DA about the status of the MLC's negotiations. In response Executive Director Debbie Bell gave an oral report to the February 2020 DA on the 2018 agreement and the role and structure of the MLC, but retiree leaders concluded that they needed more clarity and specificity about the ongoing negotiations. But with the COVID-19 pandemic engulfing the city and nation, the written report from President Bowen was delayed until December 2020. There she presented details on the agreement and on MLC progress or lack thereof on the eight possible cost-saving items mentioned in the agreement. For six of these she reported little or no progress, and the last item was simply a status report on the Stabilization Fund.

Regarding the Medicare Advantage item, however, she noted that a "Request for Information (RFI)" had been issued by the City that fall. Its purpose was described as "to evaluate proposals for Medicare Advantage 'benchmarks' or the amount the federal government will pay for specified

services in a particular location." This was the first time Retiree Chapter leadership had heard word of this public document and we sought it out immediately.

AND THEN.... The City's document was issued on November 9, 2020. It was entitled "PUBLIC NOTICE: NEGOTIATED ACQUISITION FOR HEALTH BENEFIT SERVICES IN THE FORM OF A MEDICARE ADVANTAGE PLAN UNDER MEDICARE PART C FOR CITY OF NEW YORK RETIREES AND THEIR DEPENDENTS." Its stated purpose was "soliciting expression of interests from qualified vendors to provide health benefits services in the form of a Medicare Advantage plan under Medicare Part C for the Medicare eligible retirees and dependents of the City of New York who are eligible for the City's Health Benefits program..."

The contents of this document shocked the Retiree Chapter leadership and went far beyond what we had heard earlier that the MLC was "considering" changes to retiree health insurance. It signaled to us that the die had been cast: That the MLC had decided to implement a transfer of retiree health insurance from Medicare to Medicare Advantage IF an acceptable proposal was forthcoming.



Immediately, the Retiree Chapter leadership began to send information to

all retirees about Medicare Advantage programs, their national track record and consumer and medical experiences with them. The Chapter also conducted a series of Zoom meetings with members to inform and educate them about these proposed changes, as best we could with limited information and in the absence of a final MLC decision. For example, on April 5, over 300 retirees attended a Zoom meeting and were addressed by President Bowen and others.

PSC retirees spread the word to other NYC municipal retirees, almost none of whom were told by their unions that a transfer from original Medicare was being considered. Also, we contacted state and local advocacy organizations such as the Council of Municipal Retirees Organizations (COMRO), NY Physicians for a National Health Plan and the NY Statewide Senior Action Council, seeking to build a network of opposition to the proposed move from traditional Medicare to a privately administered Medicare Advantage plan.

BIG UNIONS DOMINATE THE MLC

Especially important were retiree activists opposed to the change within the UFT, our sister AFT local in NYC, and DC37. That's both because the leadership of UFT and DC 37 were pushing the shift to Medicare Advantage and because the UFT and DC 37 together represent most NYC municipal workers. Since MLC voting is weighted by membership, this means that these two unions command the majority vote in major MLC decisions. Yet we found large pockets of resistance to the change in the retiree organizations of both unions.



A resolution calling for a moratorium on the decision of changing to Medicare Advantage was soon approved by our Retiree Chapter. Soon COMRO sponsored a public petition suggesting the need for a moratorium, which over 26,000 NYC municipal retirees have since signed. In April, the PSC Delegate Assembly unanimously approved a moratorium resolution on behalf of the union. Public demonstrations with participation from many municipal unions were organized on May 24 and June 30, before the MLC reached its final decision.

In response to developing public protests, MLC Chair Harry Nespoli issued a public statement on April 15 decrying efforts to alert retirees about major pending changes in their health insurance. He charged those in opposition to his plans with spreading "misinformation." This was a particularly galling charge from a labor leader who had been denying us this information despite months of requests – and for some of us these requests had been ongoing for fully two years by then.

On July 13, the PSC held a forum about the new plan with almost 800 members in attendance. Before this event, newly elected PSC President James Davis said, "The MLC's vote on approval is being held just six days after the proposal was made available to leaders

of the MLC unions, an inadequate review period.”

Nevertheless, on July 14 the MLC voted to approve transfer of all 250,000 retired municipal employees to a privately administered Medicare Advantage program as of January 1, 2022. The PSC’s MLC representatives, Barbara Bowen and James Davis, voted against adopting the Medicare Advantage plan, as did all three of the municipal medical-related unions: The NY State Nurses Association, the Doctors Council and the Committee of Interns and Residents.

FOUR QUESTIONS ABOUT CHOOSING



Now that the City of New York, with the support of the Municipal Labor Committee, has decided to change the provision of health insurance to all NYC municipal retirees and their dependents, each of us must choose whether to:

- Accept enrollment in the City’s Medicare Advantage PPO plan (the Alliance PLUS Plan), fully financially supported by the City OR
- Opt to remain in traditional Medicare, but under different

circumstances than at present, since the City of New York will no longer fully financially support our participation.

For many, if not most, NYC municipal retirees and their families, the above is not a choice because these persons and families simply can’t afford the costs associated with staying on traditional Medicare. Their wages and salaries during their active work lives were perhaps too small to allow them sufficient savings to afford this. We should remember that historically the social compact between municipal workers and the government was that their wages would be lower than in the private sector in return for a higher degree of job security than most private-sector employees.

Barbara Caress, health policy analyst, spoke to the Retiree Executive Committee on Thursday, September 9. For those who can afford the option of continued enrollment in traditional Medicare, she posed four questions to consider:

1. “Does my doctor participate in Medicare?” (She noted that 96% do, and that half of these non-Medicare MDs are psychiatrists.)
2. “Is my doctor part of a hospital practice?” (If she is, then she’s likely to be in-network, Caress noted.)
3. “How concerned am I about pre-authorizations?” (She noted that 8% of MA claims are denied, but that 75% of appealed denials are reversed.)
4. “Can I afford the Senior Care premium? [It’s about \$2,300 a

year.] (She further posed: “How much is access to every Medicare doctor worth to me?”)

For those with sufficient savings to consider the options, these are important questions to consider. When deciding, remember that whichever plan you are on, you have an annual period during which you can change to the other without penalty.

□

TIAA, CUNY AND THE MOVE TO MEDICARE ADVANTAGE

Bonnie Nelson, John Jay

CUNY retirees in the PSC bargaining unit are in two different retirement systems. Some, mostly the older retirees, are in Teachers Retirement System (TRS), the same system as NYC public school teachers; it is a traditional defined-benefit system and they receive a pension from NYC for life. But about 3,500 of us are in the Optional Retirement Program (ORP), a defined-contribution system, administered by TIAA. So that we would have what NYC considers a pension, we have converted some of our retirement accumulations into a guaranteed lifetime annuity. From these pension and annuity payments the NYC Office of Labor Relations (OLR) deducts any required health care premiums. **Many TIAA retirees may wonder how they will be able to pay the new, high premium if they choose Senior Care instead of Medicare Advantage—and why this problem has arisen at all.** To try to explain:

HISTORY OF TIAA

■ The financial services company Teachers Insurance and Annuity Association (TIAA) was founded in 1918 with a \$1 million endowment from the Carnegie Foundation to help colleges provide pensions for college teachers, since most colleges on their own could not afford pension plans. Colleges or colleges and their teachers put money into TIAA; that money went into bonds—a safe, secure investment. Individuals built up a nice nest egg in bonds and at retirement converted all the money into a lifetime annuity, a pension for life.



■ In 1952, TIAA added CREF, basically a stock mutual fund, as a way of possibly growing the nest egg, but most individuals at that time probably kept the bulk of their money in TIAA Traditional, viewing the stock market as too risky.

■ Contracts between TIAA and colleges were drawn up to protect retirees—to encourage them to use their TIAA money for a lifetime pension; employers worried that upon retirement many retirees would take all the money and lose it in the stock market or to unscrupulous investors and wind up penniless. In the earlier years of TIAA, most colleges forbade retirees withdrawing their money from TIAA at all.

■ Gradually 401k defined contribution plans became more common and people came to view TIAA as simply a

company offering a 401k-like benefit. Over time, TIAA offered additional investment vehicles and then lost its tax-exempt status in 1997; it began offering mutual funds to all investors in 1998.

TIAA AND CUNY

■ CUNY began offering TIAA as an Optional Retirement Plan (ORP) in 1965 to make CUNY positions more attractive to potential faculty and professional staff; it was portable and did not have onerous vesting requirements. For most new hires it offered a more attractive retirement plan than TRS—the retirement plan for NYC teachers—which was up until then the only retirement plan available to CUNY faculty and professional staff. [Note: New York State considers retirement money drawn from ORP accumulations to be a government pension and levies no state income tax on it.]

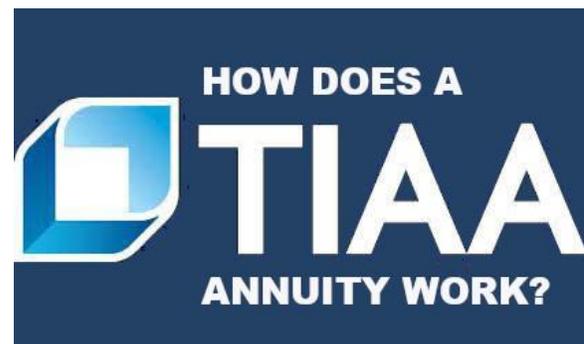
■ Contracts with TIAA were set up for retirement security, hence restrictions on not removing all money. Before 1990 there seems to have been no option for lump sum distribution of TIAA money on retirement. This was loosened considerably in 1990, when TIAA participants were allowed to take out about 2/3 of their assets that were not in TIAA Traditional (the bond fund). In 2005 restrictions were relaxed again, and retirees were required to maintain a reserve of just \$50,000, \$10,000 of which had to be annuitized, (although restrictions on transferring TIAA Traditional money remain).

■ The requirement that some (currently \$10,000) of TIAA accumulations be annuitized (that is, converted into lifetime income) upon retirement is critical to allow TIAA retirees to receive NYC retiree health benefits. The definition of a “NYC retiree” is someone

who “is receiving a retirement allowance... from a retirement... system... to which the city has made contributions.” Thus, to get NYC retirement health benefits, a CUNY retiree who is not in TRS must be drawing a retirement benefit from TIAA.

■ NYC retirement health benefits in 2021 are probably worth over \$4,000 per year for each retiree: \$148.50 per month in Medicare Part B premium reimbursement (more for those who pay IRMAA) plus the cost of a Medicare Supplemental plan equivalent to Senior Care—about \$200-\$300 per month on the open market.

■ In 2005, when the CUNY Board of Trustees mandated that a fixed-dollar amount of \$50,000 be kept in reserve with TIAA, they stipulated that it was “to fund retiree health insurance premiums” but, since the NYC health benefits program provides cost-free health insurance to retirees by law (and since the PSC-CUNY Welfare Fund pays the cost of retiree drug benefits), up until now the only premium paid by the overwhelming number of CUNY retirees has been about \$1 per month for supplemental hospitalization coverage.



■ A lump sum (minimum of \$10,000 per CUNY policy) is converted into a lifetime stream of income. This money no longer belongs to the retiree—it is gone. In return, retirees get a stream of

income (typically monthly) guaranteed for life—in effect a pension.

- The amount of this guaranteed income depends on:
 - How much money is converted
 - Age and gender of the retiree
 - How long the retiree was contributing to TIAA
 - Whether one chooses to guarantee that the annuity will continue to be paid to one's partner or one's heirs when one dies
 - Bond interest rates (and maybe more!)

■ So, for example, from the \$10,000 annuity I collect about \$55/month; an older colleague of mine receives about \$65/month; her still older, male partner who retired at an older age gets about \$75/month.

■ Many TIAA retirees have chosen to annuitize considerably more than \$10,000 to have a larger guaranteed income and their annuity will be sufficient to pay premiums for Senior Care starting Jan. 1, 2022, if they choose that plan. But those in TIAA who have annuitized only the required minimum \$10,000 will not have a sufficient monthly income from that annuity to pay a new Senior Care premium of \$191.57. **Of course, those who accept the move to Medicare Advantage Plus will pay no premium at all.**

How a suddenly large premium would be paid has been a cause of additional worry for many members of the Retirees Chapter. But when the PSC opened discussions with the NYC Office of Labor Relations, OLR agreed upon this

simple solution, one that is already in place for NYC retirees receiving very small pensions: **TIAA participants who choose Senior Care and whose monthly annuity amounts are insufficient to pay the premium will be direct billed for the premium and will not need to purchase an additional annuity from TIAA.** □

Opinion:
WHY DOES THE MUNICIPAL LABOR COMMITTEE OPERATE IN SECRET?

Michael Frank, LaGuardia

[Editor' Note: *This is an opinion piece. We welcome comments.*]



ANALYSIS OF A CRISIS

How can we account for the secrecy of the MLC's negotiations about switching our health insurance to privately administered Medicare Advantage and keeping a quarter million New York City union members and their dependents in the dark about such a momentous decision?

Unions are complex, contradictory organizations. They are both social movements and social institutions within our society. They arose out of protests, demonstrations and strikes by workers that forced the powers that be to

recognize their legal right to exist. Such movements from below require expenditures of energy and sacrifices that cannot be sustained indefinitely. To secure the gains made and carry out functions that cannot be exercised by individual workers themselves, formal union bodies staffed by full-time officials were created. Although a necessary step, this created the possibility for officials to free themselves from membership control and become a distinct social layer with distinct interests. Moreover, union officials, unlike the workers they represent, can grant themselves greater salaries and benefits (“perks”) than those they are able to negotiate for their members. Our PSC union local is an exception to these practices.



Union leaders have a unique role as mediators between the opposing interests of management and workers. Management tries to reduce its labor costs while workers strive to improve their wages, salaries and working conditions. Structurally, management in a capitalist society is in the stronger position.

But for many union leaderships the maintenance and survival of the union as an institution becomes an *end in itself* and their main priority. They

therefore have an interest in avoiding struggles that might threaten the existence of this institution. Open conflict between management and workers—and more broadly between labor and capital—is risky. A strike that is defeated, for example, can lead to the break-up of a union. When strikes cannot be avoided, union officials will try to contain them and bring them to an end as soon as possible. The sociologist C. Wright Mills aptly characterized union officials as "managers of discontent."

However, it is in open conflict between workers and the powers that be that the social movement nature of unions comes to the fore and that solidarity and broad public support can be created. This breathes life into the labor movement and allows unions to flourish. But the interests and modus operandi of union officials often leads them to sacrifice the social movement nature of labor in an attempt to preserve it as an institution. In the long term, I believe, this is a suicidal course both for unions and the labor leaders themselves. This is a key to understanding the long-term weakening of unions, the declining percentage of the labor force that is unionized and, as a result, the ever-increasing inequality of wealth in the U.S.

WHERE THE PSC FITS IN

The PSC is a member of the MLC and operates within its framework. Although our leadership did oppose and vote against the switch to Medicare Advantage, it respected the MLC practice of confidentiality. Should it have? I say no. Others will disagree, but I think it is essential that we discuss and debate this question. The MLC's lack of transparency meant that

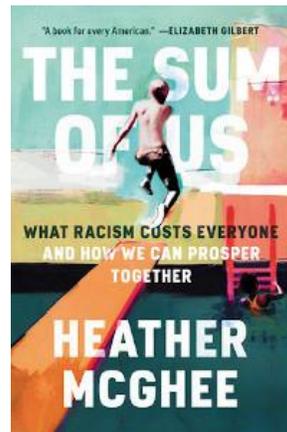
thousands of union members were kept ignorant about what was being negotiated on their behalf, delaying the opportunity for retirees to mobilize on behalf of their immediate interests.

With the ever-rising costs of healthcare in the U.S., this will not be the last time that the City will demand concessions from the MLC. Future PSC retirees will be next in line for having privatized health insurance after the current five-year contract between the City and the Alliance administering the new Medicare Advantage plan, which ends on 12/31/26. And during fiscal crises workers will further be asked to sacrifice our past gains while the revenues and expenditures of the city's budget will be treated as fixed and unalterable – rather than enlarging it via eliminating tax breaks for large corporations and fairer, more equitable taxation of New York's many super-wealthy individuals.

What would it take to change the balance of forces between labor and City government and put an end to concessions? The PSC cannot do this alone. This will require bringing the collective power of the hundreds of thousands of public-sector union workers to bear on the City's politics and priorities. But PSC retirees did give us a glimpse of what activism can accomplish. We did not stop the switch to Medicare Advantage, but we did manage to slow down the process, help build the demonstrations and bring this issue and its attendant injustices to the attention of members of our sister unions and the NYC public at large.

Going forward, we need a firm commitment from our leadership that members will be informed whenever the

MLC is considering measures that affect our members' interests. The right of union members to elect their officers is a necessary condition for union democracy, but it is not sufficient. Members must understand and have a say in what their leaders and the bodies in which they represent us are negotiating. Without transparency there can be neither accountability nor robust union democracy. □



THE "SUM OF US" BOOK SERIES: WHY THIS BOOK?

This fall the Retirees Chapter Anti-Racism Committee is sponsoring a discussion series of the recent best-selling book "**The Sum of Us: What Racism Costs Everyone and How We Can Prosper Together**" by **Heather McGhee** (One World/Random House, 2021, hardcover or Kindle). The first session will begin on Zoom Tuesday, **October 12, 2-4 p.m.** and will continue for four more Tuesday afternoon sessions in October and November.

We all know that there are literally dozens of fine books about racism in print in the United States: its brutal history, its impacts on the lives of so many Americans and the continuing struggles against it, culminating most recently in the worldwide protests over the murder of George Floyd.

So why did the Retirees Chapter Anti-Racism Committee (ARC) choose the “The Sum of Us” by Heather McGhee to lead off in this first of its book series on fighting racism? Perhaps some of the best reasons are encompassed on the book’s review on the GoodReads website:

“From the financial crisis to rising student debt to collapsing public infrastructure, she found a common root problem: racism. But not just in the most obvious indignities for people of color. Racism has costs for white people, too. It is the common denominator of our most vexing public problems, the core dysfunction of our democracy and constitutive of the spiritual and moral crises that grip us all. But how did this happen? And is there a way out?”

“McGhee embarks on a deeply personal journey across the country from Maine to Mississippi to California, tallying what we lose when we buy into the zero-sum paradigm--the idea that progress for some of us must come at the expense of others. Along the way, she meets white people who confide in her about losing their homes, their dreams, and their shot at better jobs to the toxic mix of American racism and greed. This is the story of how public goods in this country--from parks and pools to functioning schools--have become private luxuries; of how unions collapsed, wages stagnated, and inequality increased; and of how this country, unique among the world's advanced economies, has thwarted universal healthcare.”

“But in unlikely places of worship and work, McGhee finds proof of what she calls the Solidarity Dividend: gains that come when people come together

across race, to accomplish what we simply can't do on our own.”

Following the first organizational meeting of our own retiree book group on Tuesday, October 12, we will devote the next four sessions to subject areas covered by the book. For example, during our second session on

Tuesday afternoon, October 19, CUNY urban planning expert Tom Angotti will lead off discussion on U.S. housing and housing discrimination, followed by group discussion of this subject from chapter 7 of McGhee.

Those of you who sign up will decide on the next subjects from McGhee’s book to discuss during the October 12 organizational meeting. Members of the organizing committee for this book series are Anne Friedman, David Kotelchuck and Cecelia McCall.

Registration: Those wishing to register for the series can go to the website: <https://www.psc-cuny.org/SumOfUs> . For any questions or to seek further information, please contact Dave Kotelchuck at dkotelch@gmail.com . Registration is extremely limited so that there can be a rich exchange of ideas. Please sign up quickly. □



Retiree Chapter:

<https://www.psc-cuny.org/retirees>

Welfare Fund

<http://psccunywf.org/>

TURNING THE PAGE is a publication of the Retirees Chapter of PSC-CUNY, Local 2334 of NYSUT and the AFT. We welcome contributions from our several thousand members: articles of special interest to retirees, short essays on your activities during this period of politics and plague, and your comments on recent publications of interest. Our newsletter collective is made up of Michael Frank, Joan Greenbaum and Dave Kotelchuck. Please write to us at retirees@pscmail.org, with 'Newsletter' in the subject line. Letters to the editors, new books and articles and issues of interest will return again next month (as you send them to us, please). □

LIFE DURING WARTIME

Josh Brown, the retired director of the American Social History Project at the CUNY Graduate Center, has produced a series of weekly political illustrations, beginning in 2003 with the war in Iraq, called Life During Wartime. We normally print his latest drawing, but since his most recent illustrations are animated GIFS, we cannot reproduce them for a newsletter which most of our members read as hard copy. But you can view them by going to the entire collection, 2003- 2019, which is online at: www.joshbrownnyc.com/lw.htm.
