

Testimony of Bonnie R. Nelson
New York City Council Committee on Civil Service and Labor
January 9, 2023

Good morning and thank you for giving me the opportunity to speak to you today. My name is Bonnie Nelson. I'm a retiree from John Jay College of the City University of New York, where I worked for 37 years as a librarian. I am currently Secretary of the Retirees Chapter of the Professional Staff Congress.

I am asking you to vote against changing Administrative Code 12-126. Changing the Code will allow the City to move 200,000 elderly city retirees into an inferior Medicare Advantage plan, while "allowing" those retirees who can afford it to pay \$2400 a year to keep the degraded Medicare supplemental plan we currently have. I say we now have a "degraded" plan because, for the past year, retirees on SeniorCare have had to pay \$15 co-pays every time they see a doctor, go for a medical test or have physical therapy. That doesn't sound like much, but when you are old you are more likely to have cancer treatments many times a month, or physical therapy several times a week. Those \$15 co-pays quickly add up to much more than many of our retirees can afford to pay.

I am asking that instead of changing the Administrative Code, you urge the city and the MLC to take another path—to buy time to find a better solution by adopting the plan the PSC has proposed: using money in the Retiree Benefits Trust fund for a few years as a bridge while a stakeholders' committee tries to come up with better long-term solutions.

I don't blame the leaders of the MLC and NYC for thinking that saving \$600 million a year by moving retirees into a Medicare Advantage plan was a great idea. When I first heard about it, it seemed like a win-win to me, also. The federal government would pay more, the city would pay less, and nothing would change for retirees. But I have learned that we have all been sold a lie. The city will pay less, yes, the federal government will pay more, yes; but retirees will get less medical care—some will likely die because of delayed or denied services—and the insurance companies will get richer. Medicare Advantage plans are currently the most profitable sector of health insurance.

The worst part about this is that changing the Code will, in the future, allow the city and the MLC to degrade health insurance benefits for other classes of workers, but forcing retirees into private Medicare Advantage to save \$600 million a year does not solve the long-term problem; it buys at most a few years before other so-called "savings" will need to be made.

Since the First Health Care Savings Agreement in 2014, although city workers and retirees have kept premium-free health insurance, they have seen increasing co-pays, reduced doctor networks, and now an attempt to degrade retirees' health care. Meanwhile, the CEO of Aetna made \$24 million in 2020, the CEO of Emblem makes \$3 million a year, the CEO of New York Presbyterian makes \$9 million a year, the CEO of Northwell made \$4 million last year, and the CEO of Mt. Sinai gets \$5.5 million a year. But city workers can't get a raise unless they accept reduced health insurance benefits. There is something gravely broken here and forcing elderly, infirm retirees into an inferior health plan is not going to fix it.

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