

January 9, 2023

Statement before the NY City Council Labor Committee

Hearing on bill to Amend City Charter, Section 12-126

(My name is David Kotelchuck, Professor Emeritus and former Acting Dean of the Hunter College School of Health Sciences. I retired in 2006 and have been a member of PSC-CUNY for over 40 years.)

I call on you today to VOTE NO on this bill to amend the City Charter. I wish to make two points:

1. Supporters of this bill say it will preserve freedom of choice for health insurance among retired NYC employees. This is not the case. If passed the bill will deny choice to hundreds of thousands of active and retired NYC employees by imposing privatized Medicare Advantage health insurance on them when they retire. The only ones with choice will be those NYC retirees who can afford paying almost \$200 per month per person for the rest of their lives. The vast majority of city retirees will not be able to afford these costs. They will be forced by financial exigency into the premium-free plan offered them.

2. The consequences of Medicare Advantage cost-saving schemes, such as limiting provider networks and requiring prior approvals, as well as the delays caused by adding a layer of medical bureaucracy, are especially grave for retirees nearing the ends of their lives, when sudden, life-threatening medical crises demand immediate action. Advantage administrators make unjust denials: A recent study of Medicare Advantage organizations by the Office of the Inspector General of the U.S. Department of Health and Human Services found that 13 percent of prior authorization denials and 18 percent of payment request denials met Medicare and plan billing rules. (<https://oig.hhs.gov/oei/reports/OEI-09-18-00260.pdf>) These among others help explain why retirees in their last year of life leave Advantage plans in large numbers for Traditional Medicare, according to a recent Government Accounting Office report. (<https://www.gao.gov/products/gao-21-482>)

Passage of this amendment will not solve the long-term problems the City faces in funding health-insurance for City employees, both retired and active. In a few years we will again face further increases in healthcare costs and further calls for slashing benefits.

There are alternatives to taking away healthcare benefits from over 100,000 retired NYC employees and our families. My union, the Professional Staff Congress, proposes – and I support – using some of the City’s rainy-day funds to give us time to consider and negotiate real and lasting solutions rather than the current proposals, which deprive City retirees of the quality benefits we have been promised and received for decades. VOTE NO!