

Testimony of Irwin Yellowitz to the members of the City Council Committee on Civil Service and Labor

I urge you to vote No on the proposal to change the Administrative Code 12-126, and instead to approve the plan proposed by the Professional Staff Congress to provide funding by the City for the Stabilization Fund for three years while a stakeholders' commission works out a fairer and more durable solution to escalating health costs.

I acknowledge increasing health costs and agree that NYC must control these. The City and MLC propose to do this by shifting retirees into a Medicare Advantage plan and requiring anyone who opts out to pay the cost of their Medigap policy. This yields a saving to the City at the expense of retirees who are forced into a lesser health plan, or who are forced to avoid such a lesser plan by paying \$2400 per person per year for a Medigap policy. Obviously lower paid City workers cannot afford such a Medigap policy, and so we will have most lower paid retirees in the Medicare Advantage plan while better paid retirees will opt out in huge numbers to stay in traditional Medicare plus Senior Care, paid for by their money. This creates an outcome by class -- and by race -- that I do not believe the City Council will support.

There are long term remedies, but they require time and effort. The PSC plan provides a viable pathway for finding these necessary ways to reduce health care costs without forcing retirees into an inferior health plan that will disrupt the lives of many elderly and frail people. Retirees do not deserve this treatment when an alternative that can deal with health care costs in a comprehensive and long-term way is available.

Please reject the changes to the Administrative Code, and use your influence to find a viable, real solution to the rising health care costs based on the PSC plan.

Thank you.