

# **The Endangered Health Benefits of NYC (incl CUNY) Employees**

**Presented by the Social Safety Net Working Group  
of the  
Professional Staff Congress (PSC-CUNY)**

**September 2024**

# Presentation Goals

- Understand your contractual healthcare rights
- Discuss healthcare changes the City has proposed or is being planned
- Learn about the state of U.S. healthcare now
- What's the solution?

# Who Negotiates our Health Care Benefits?

The health-care benefits PSC members receive are a product of negotiations between the City and a coalition of unions representing city workers called the Municipal Labor Committee (MLC), of which the PSC is a member.

# Our Current PSC Health Benefits

# PSC Health Care Benefits for Actives

## ✓ Basic health benefits

- Negotiated with the **City** by union leaders in the **Municipal Labor Committee (MLC)**.
- Provided through **City** contracts with insurance companies GHI/EmblemHealth and Anthem/Empire Blue Cross

**Called the NYC Employee Health Benefits Program**

## ✓ Supplemental health benefits (drugs, dental, vision, hearing)

- Negotiated with **CUNY leadership** by **PSC-CUNY**.
- Provided through **PSC-CUNY Welfare Fund** contracts with providers and insurers

# PSC Health Care Benefits for Retirees

## ✓ Basic health benefits

- (PRIMARY insurance) Medicare for all U.S. citizens and eligible residents at age 65
- (SECONDARY insurance) NYC Employee Health Benefits Program

[Those retiring before Medicare eligibility remain on City Health Benefits until Medicare eligible]

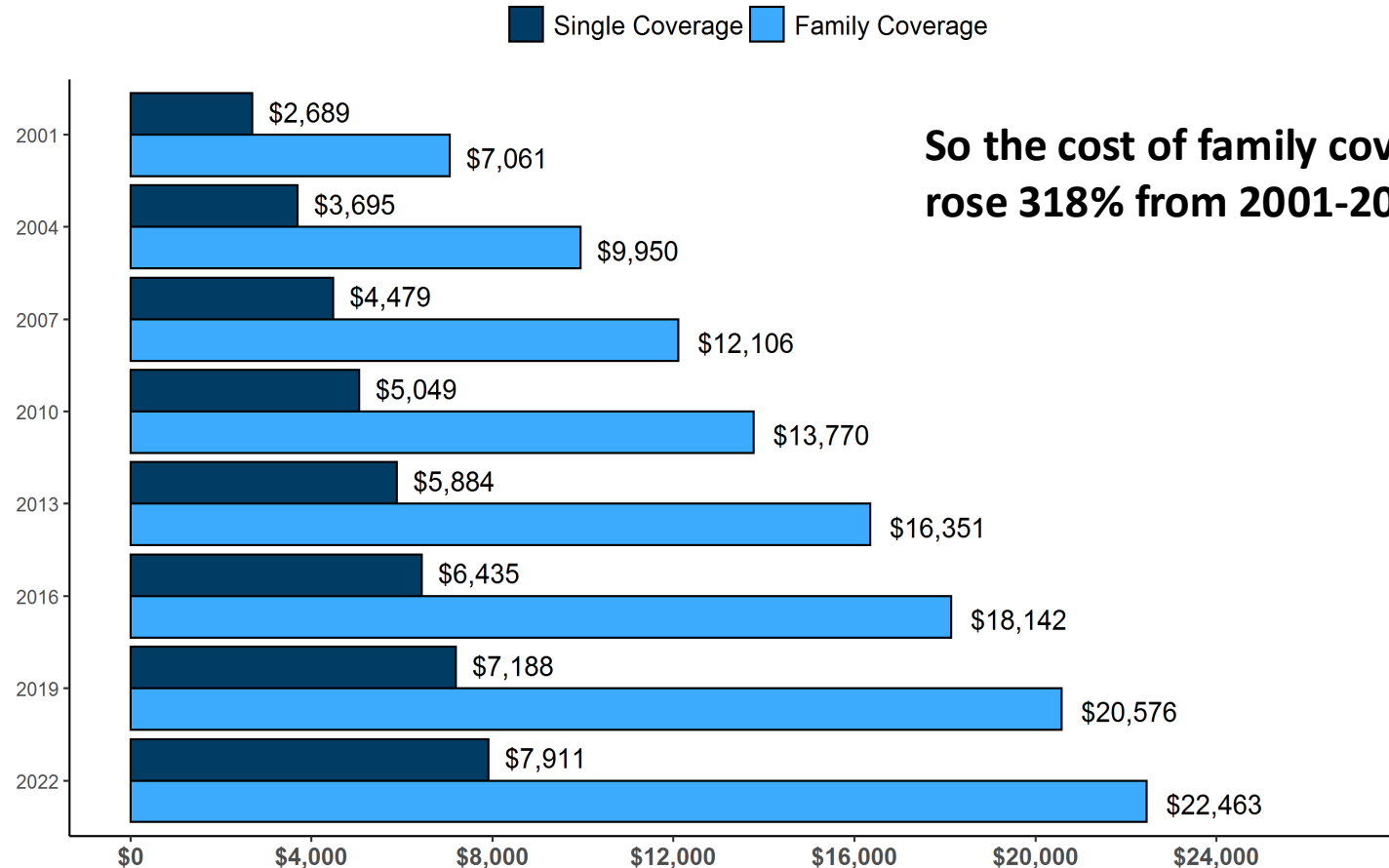
## ✓ Supplemental health benefits (drugs, dental, vision, hearing)

- Not provided by Medicare. Negotiated with **CUNY leadership** by **PSC-CUNY**.
- Provided through **PSC-CUNY Welfare Fund** contracts with providers and insurers

However, U.S. Health Care  
Costs Continue Rising

# The health insurance costs NYC pays have been rising for decades

Average Annual Premiums for Single and Family Coverage, 2001-2022



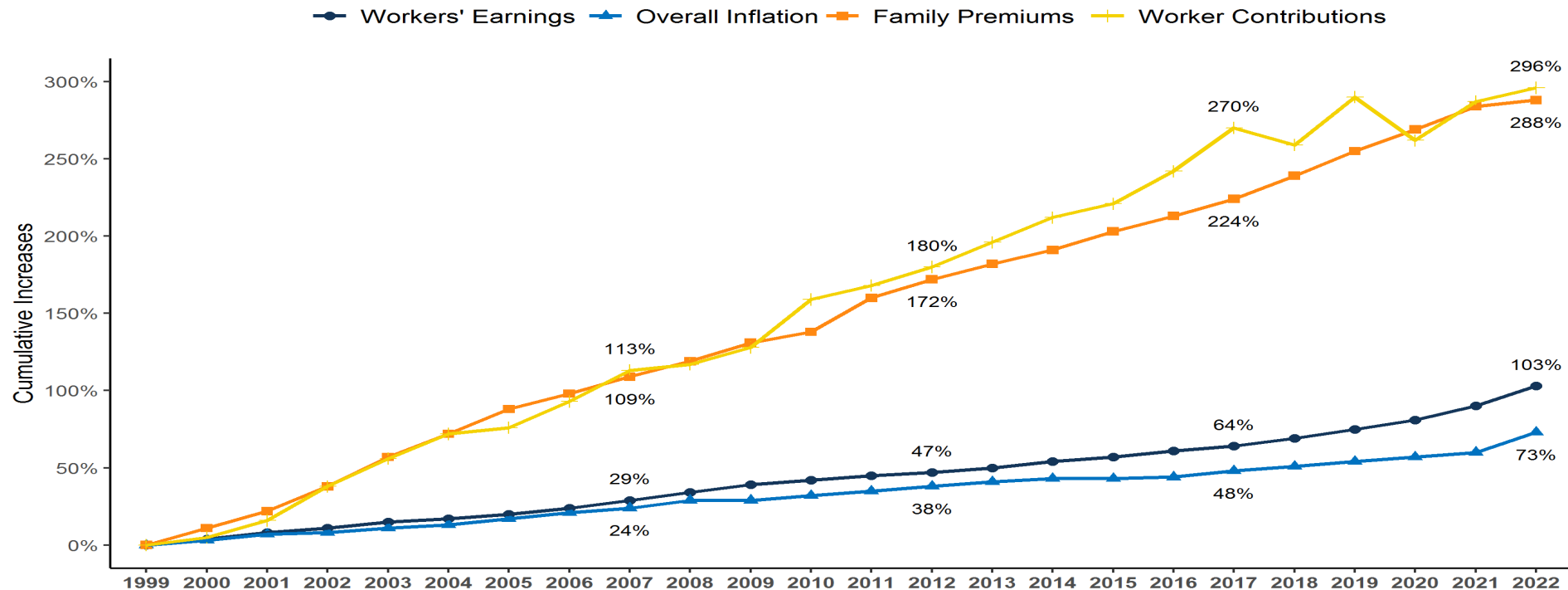
SOURCE: KFF Employer Health Benefits Survey, 2018-2022; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2001-2017





# AND the health care cost increases continue to outpace growth in wages

**Cumulative Increases in Family Premiums, Worker Contributions to Family Premiums, Inflation, and Workers' Earnings, 1999-2022**



SOURCE: KFF Employer Health Benefits Survey, 2018-2022; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 1999-2022; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2022.

The City employee health insurance programs for retirees and actives cost the City about \$9.4 billion/yr. (NOTE: This is a big chunk of money, but it represents only 8.5% of the City's current budget of \$111 billion.)

So the City is trying to cut its  
healthcare costs: First for  
Retirees, then for Actives

Let's look first at how the City  
seeks to cut healthcare costs  
(and benefits) for **Retirees**

# **The City is trying to change our Medicare coverage**

**In 2022, The City proposed that all City municipal retirees be transferred from **Traditional Medicare** to a privatized plan **Medicare Advantage** (which is not really Medicare at all).**

**Many City retirees call the plan **Medicare (Dis)Advantage.****

**It is supposed to save the City \$600 million/year**

# What's Wrong with Medicare Advantage (MA)?

- MA requires **pre-approval** for many non-routine medical procedures causing anguishing delays for those who are seriously ill, who may need emergency care, who have had prior approvals denied. (Aetna, the City's proposed MA provider, turns down 1 in 8 pre-approval requests. Medicare rarely requires them.)
- MA has a more **limited choice** of doctors and providers than Medicare.
- MA **only pays full costs** for doctors and other providers that are in its network.
- MA plans have an incentive to **delay and deny care**. They make more money by delivering less care! (Also MA programs are notorious for paying their bills late.)

# **The Fightback Against MA: Where Does it Stand?**

**The proposed City plan for retirees is in trouble!**

- **The City's MA plan was unanimously rejected this summer by the NYS Appeals Court, First District**
- **UFT Retirees just elected a slate of officers opposing MA**
- **Now Citywide UFT has dropped its support of the City's MA plan**

# The City is Appealing the Court's MA Decision It Won't Give Up! Sign the Petition

NY City is appealing the unanimous decision against MA to NY State's Highest Court, the NYS Court of Appeals. Sign the [petition](#) against this.

[https://nmshr.io/s/email/ZB49BznEH\\_XvRWyiKLU=/r](https://nmshr.io/s/email/ZB49BznEH_XvRWyiKLU=/r)

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**Help us fight this change now,  
before you retire & it hits YOU!**



And how is the City trying to  
cut healthcare costs  
(and benefits?) for Actives?

# Targeting Actives' Healthcare

- On June 10, 2022, NY City sent out a Request for Information from insurance corporations seeking their participation in reducing its healthcare costs by changing insurance coverage for all City employees: ***“Our joint goal of the redesign is to reduce the cost of delivering healthcare by at least 10% while continuing to provide efficient, high-quality healthcare to all City employees and pre-Medicare retirees without significant increases in member out-of-pocket costs.”***
- The City spends \$9.4 billion annually on its healthcare programs. **So a 10 percent cut amounts to a cut of almost \$1 billion in actives' healthcare costs.**

# PSC: The City's goal is "Completely Unattainable"

**"This goal is completely unattainable. It is impossible to cut \$1 billion from the City's annual spending without reducing access to medical care and/or shifting significant costs to the plan participants, NYC workers,"** according to a statement released by the PSC. (Myths and Facts about NYC Employee Health Insurance, April 2024)

NOTE: City officials have been privately consulting with *some* union leaders, but no formal proposal has yet been brought before MLC members for a vote.

# Active Union Members will feel the impact of these cuts.


We don't yet know any details, but here's what we're likely to face:

- **Fewer hospitals and doctors may be “in-network,”** leading to different levels of cost to patients.
- **Hospitals may be “tiered,”** with higher copays for access to high-cost hospitals.
- **Prior approvals may be required** for expensive services like inpatient hospital care, rehabilitation services, and high-tech imaging.
- **The annual deductible for outpatient care may be increased. The standard for out-of-pocket expenses before insurance pays 100% may also increase.**

Source: (Myths and Facts about NYC Employee Health Insurance, April 2024)

# There are alternatives!

- **Reject the cuts as unnecessary and unfair.**
- **The City and MLC should pressure New York State to control health care spending**, as many other states have done. (One way is to control hospital prices, as it did before 1996.)
- Rather than depend on costly insurance companies to run its program, **NYC government should “self-insure.”** It should design and monitor its employee benefits, as many other cities and states (including New York State) do. (It would pay an insurer to process the claims.) The City would save money, and the employees would get improved benefits.
- It should **support movement toward public health insurance for everyone.**



Is our  
health care a right or  
a benefit?

**The PSC believes Healthcare  
is a Human Right!**

**We can't cut our way to good healthcare.  
Other solutions are possible!**

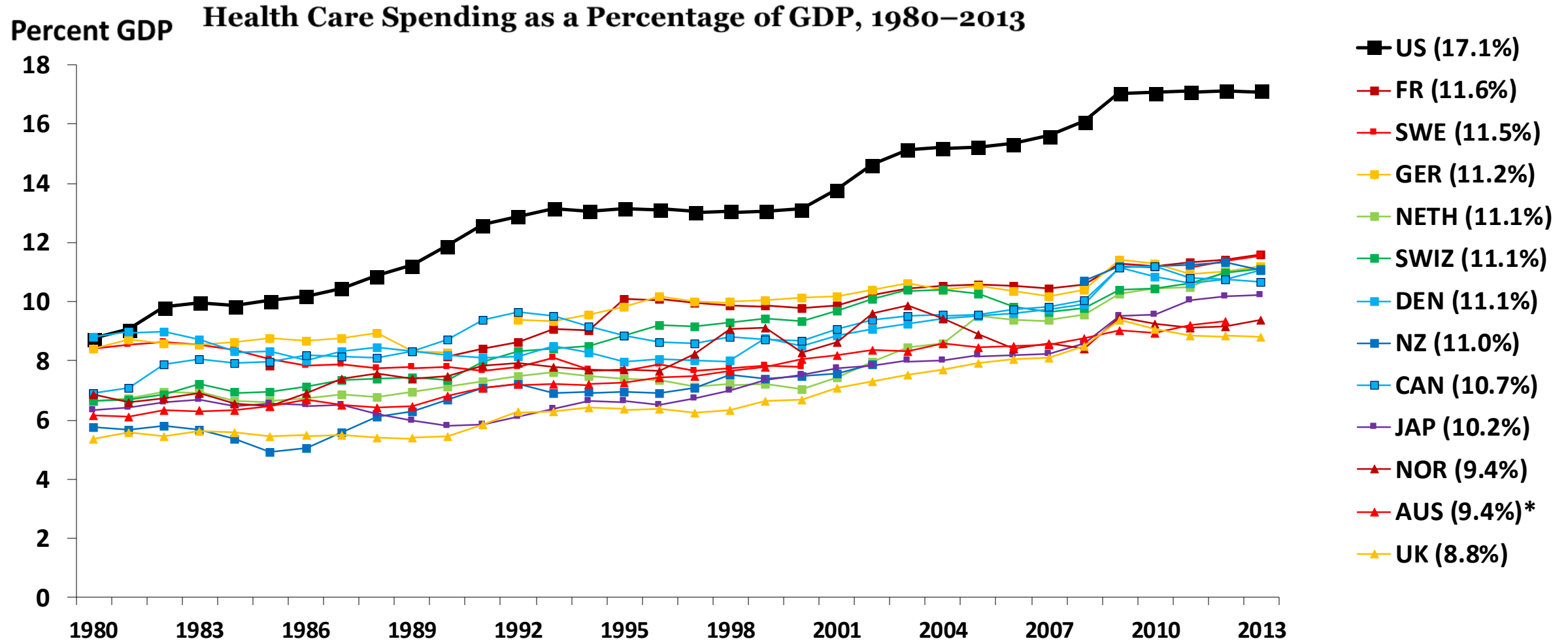
What's the best solution?

**Healthcare for ALL!**

• Healthcare for ALL!



Every other country covers all their residents and spends half what we do — and many (e.g., Canada) have no cost-sharing!



Source: OECD Health Data 2018

# What makes the Difference?

**In every one of these countries, government has a central role in:**

- Overseeing and regulating the system.
- In many cases, funding it through the tax system.

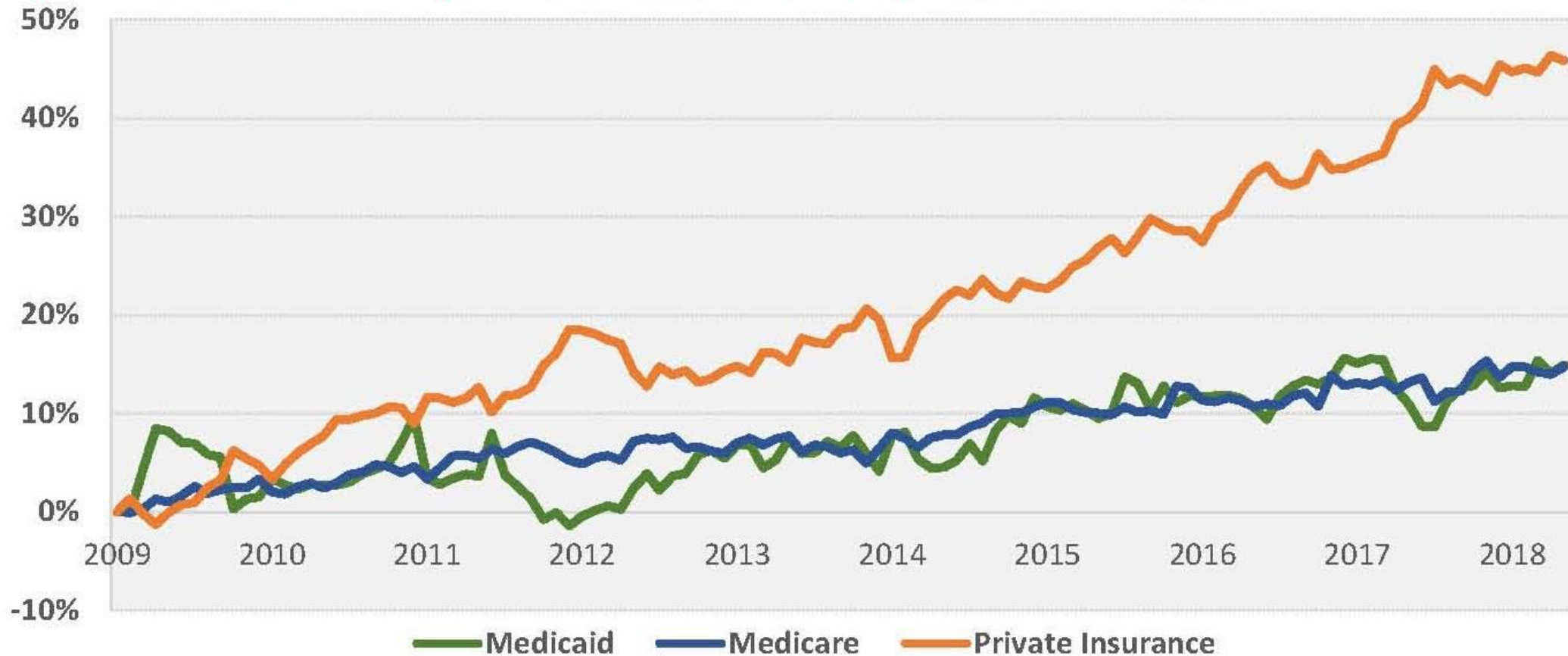
# Government Action Works in the US, too

**Our own experience with Medicare, a federal program for seniors, shows the beneficial effects of a government-funded and regulated system:**

- **Reliable, excellent healthcare** for seniors
- **Seniors themselves choose** who provides their care
- **Slower growth in government spending** for healthcare

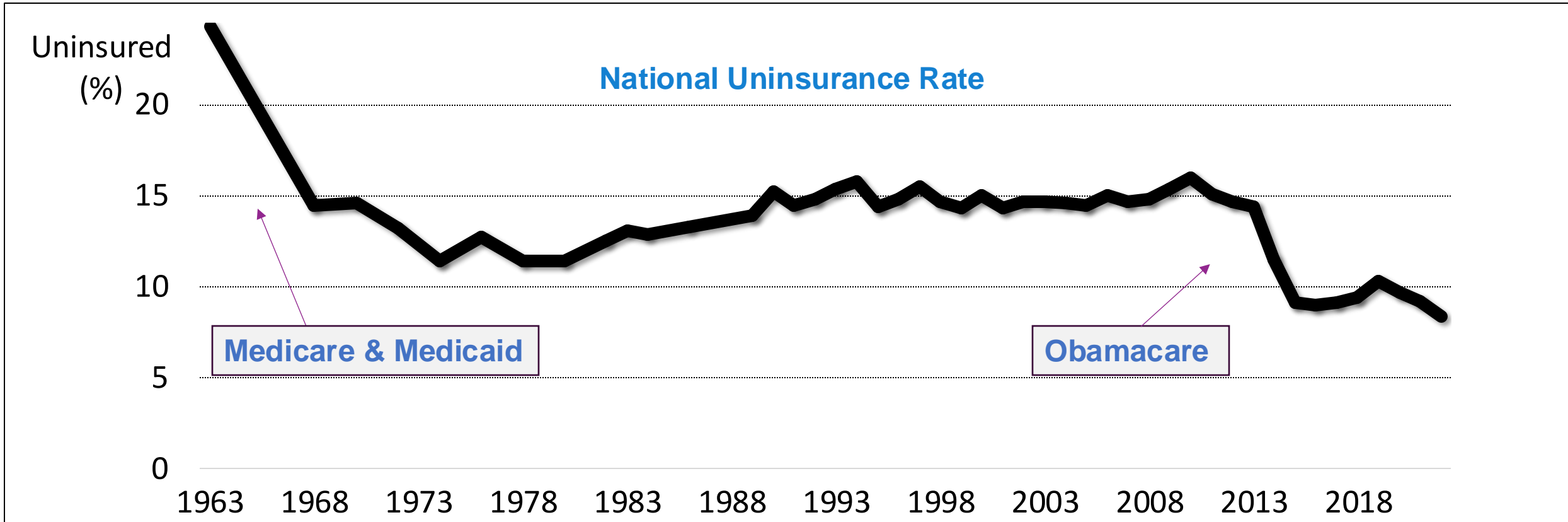
# Public Medicare already controls costs better than private insurance!

Figure 3: Cumulative Health Spending Growth per Enrollee by Payer since January 2009



Source: "Growth in Spending on Privately Insurance Drives Much of US Health Spending Growth in 2017 and Early 2018", Altarum Institute, [https://altarum.org/sites/default/files/uploaded-related-files/Public Private Brief\\_final.pdf](https://altarum.org/sites/default/files/uploaded-related-files/Public%20Private%20Brief_final.pdf)

# And many are still uninsured!



Source for data before 2010: Council of Economic Advisers, “Methodological Appendix: Methods Used to Construct a Consistent Historical Time Series of Health Insurance Coverage,” 2014, <https://obamawhitehouse.archives.gov/sites/default/files/docs/longtermhealthinsuranceseriesmethodologyfinal.pdf>  
Source for data from 2010 – 2021: Early Release Estimates from the National Health Interview Survey, multiple years. Available at: <https://www.cdc.gov/nchs/data/nhis/earlyrelease.pdf>. Note that there was a change in survey methodology in 2019.

In 2022, 25.6 million non-elderly Americans had  
NO health insurance at all  
(9.6% of our population)

Of these, almost **one million** lived in  
**NY State**

# **The Public Route to Health Care Reform: Sanders & Jayapal Medicare for All Acts**



**Extend Medicare to everyone**

**Comprehensive benefits** including long-term care

**No deductibles, copays, or coinsurance**

**Free choice of provider**

**Public agency pays the bills**

**Funded by progressive taxes**

Until we get the feds to act,  
let's try for Healthcare for All  
here in NY State:

The New York Health Act





Amy Paulin

# Health Care Reform in New York State: *New York Health Act* A7897/S7290

Passed in 2015,  
2016, 2017 &  
2018 w 2:1  
majorities

33 co-sponsors & 9 recently-  
elected supporters



Gustavo Rivera

- A single State fund **covers every resident and full-time worker**
- Comprehensive benefits
- **No deductibles, no co-pays**
- Funded by existing public funds & **progressive tax on payroll and non-payroll (“investment”) income**
- **Costs less than we are now spending!**

# Covering Everyone While Saving Money under the NY Health Act!

## **Savings: 17.7%**

- Reduced insurance administrative costs
- Reduced physician and hospital administrative costs
- Lower prices of drugs and devices

## **Additional Costs: 14.1%**

- **Covering everyone** and eliminating copays and deductibles
- Covering long-term care for everyone
- Improved fees for health care providers

## **Net Savings: 3.6%**

# New York Health Act: Good for Everyone



- Guaranteed access to health care regardless of income, employment, or immigration status
- Leaving a job won't mean losing your health care
- No financial barriers of any kind to receiving care
- No need to “spend down” to get long-term care
- Greater equality of access to health care
- Public accountability for access and quality of care
- **No need to bargain for healthcare in our contracts!**
- **Rising healthcare costs will not cut into our wage gains!**

**We can do it!**



# HEALTHCARE

ACCESS • QUALITY • COSTS

Join the PSC Social Safety Net Working Group (SSNWG)  
<https://psc-cuny.org/issues/defend-social-safety-net/>

***Educate, Agitate, Organize, Mobilize!***

# **APPENDIX**

# Heads Up on Health Care!

- Public service retirees are the canary in the coal mine: NYC, with the acquiescence of the Municipal Labor Committee, sought to save money by privatizing the health coverage of municipal retirees. Only grassroots outrage and legal action have stalled their plan.
- Active employees are next in line for a slash in benefits: the city is trying to save 10% (\$1 billion) yearly in a new contract with insurers for health care coverage for in-service employees. Health care savings dependent on actions by insurers can only come at the expense of the insured. Expect a more limited list of providers, prior approval for services, tiered care facilities, increased co-pays, and higher deductibles.
- Let's learn from the experience of our retirees. Quality affordable health care is central to our well being. That care is in jeopardy. We need to act before the damage is done.
- Educate, agitate, organize, and mobilize to protect and expand the health care benefits we have right now.

**Unite and Fight to Protect our Rights!**

# Administrative Code 12-126

## LAW: NYC Administrative Code § 12-126

Health insurance coverage for city employees, persons retired from city employment, and dependents of such employees and retirees...

b. Payment of health insurance costs. Except as otherwise provided in section 12-126.1 and section 12-126.2 of this chapter, for city employees, city retirees and their dependents:

(1) The city will pay the entire cost of health insurance coverage for city employees, city retirees, and their dependents, not to exceed one hundred percent of the full cost of H.I.P.-H.M.O. on a category basis.



THE CITY MUST COVER THE HEALTH CARE COSTS.

A BENCHMARK OF HOW MUCH THE CITY IS OBLIGATED TO SPEND ON THE COSTS.





# Know Your Benefits. Use Your Benefits.

- The Premium-Free Supplemental Coverage You Need For a Healthful Lifestyle

## Prescription Drugs: CVS/Caremark

- Use your CVS Card at drugstores such as Duane Reade, Rite Aid, Walgreen, Target, most independent drugstores, as well as CVS. Use your basic health insurance card to fill prescriptions for diabetic medications.
- Injectable and chemotherapy drugs are covered by the NYC PICA plan—see your campus benefits officer for information or call 212-306-7464.
- \$0 copay for generics filled at CVS.

## Dental:

- Guardian PPO – Access to providers who charge reduced fees. Benefits include most standard dental procedures. No annual or lifetime maximum payment limitations.
- Delta HMO – Assigned dentist. Cost predictability. Most preventative services free.

## Vision:

- Stay in-network at Davis Vision, choose from a selection of free frames and lenses once a calendar year.
- Free exams.

## Hearing Benefit Improved in 2024:

- Stay in-network with TruHearing, get select premium hearing aids at no cost once every 36 months.
- Free exam and 3-year warranty.

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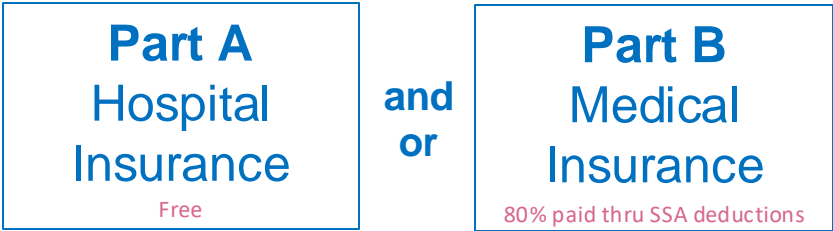
**What's the best way to learn more about these plans and other benefits such as basic disability and extended medical? Visit [www.pscunywf.org](http://www.pscunywf.org) or call 212-354-5230**



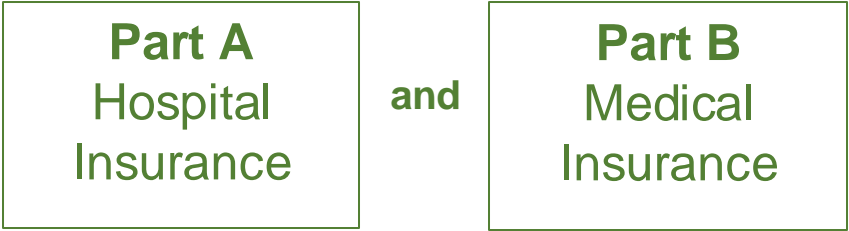
# Basics of Retiree Medicare & Union Health Benefits: Freedom of Choice

## Medicare Coverage Options

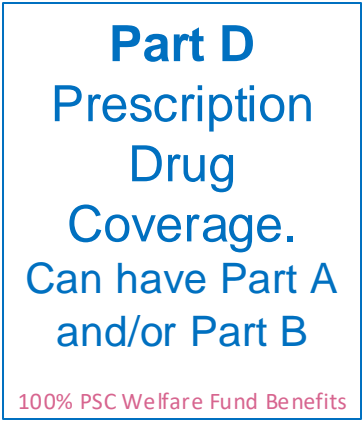
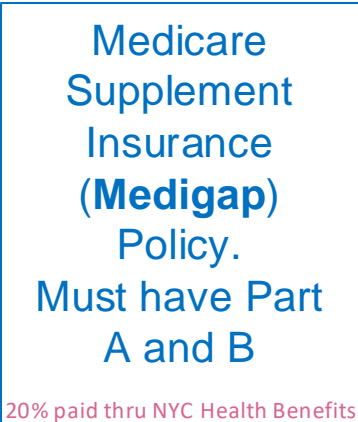
### Original Medicare (Traditional Medicare)



### Medicare Advantage (Part C)



And one or Both



# Here's a letter to send to your legislators

Your Name  
Your Address, Your Zip Code  
Your Telephone Number  
Your Email Address

Dear: <https://www.elections.ny.gov/district-map.html>

**I am watching you! My family is watching you! My friends are watching you!**

**Health Care is a right to which every person living in New York State is entitled.**

**The New York Health Act needs your support. Municipal union opposition flies in the face of legislation which will benefit those who already have health insurance, those whose health insurance is inadequate and those without any insurance at all!**

**The New York Health Act has my support. It should have yours! It offers:**

- 1. Comprehensive health care and long-term care with no premiums, no deductibles, and no copays! It offers a choice of doctors and hospitals paid for through public funds and new progressive taxes;**
- 2. Health coverage no longer tied to employment and better, more secure coverage than found in any union plan; Unions can focus on wages, more benefits, safer workplaces, and no more shrinking, two-tier health benefits;**
- 3. Guaranteed access to health care regardless of income, employment, immigration status; losing or leaving a job won't mean losing healthcare; there is no need to spend down to poverty to get Medicaid; no financial barriers of any kind to receiving care and greater equality of access to health care; finally, there is public accountability for access and quality of care.**

**Remember! As your constituent, I require your commitment to quality, accessible, affordable, universal health care.**

**Sincerely,**

**Your name**

# PSC Resources / Links

## **Myths and Facts about What's Happening to NYC Employee Health Insurance**

<https://psc-cuny.org/wp-content/uploads/2024/04/PSC-Myths-and-Facts-about-NYC-Employee-health-insurance-final-4-19-24.pdf>

## **Where the PSC Stands on Healthcare Reform (April 2020)**

<https://2022.psc-cuny.org/sites/default/files/PSC%20on%20Health%20Care%20Reform%20April%202020.pdf>

## **Background Information on the Privatization of Medicare**

<https://psc-cuny.org/wp-content/uploads/2023/12/Background-Information-On-the-Privatization-of-Medicare-11-27-23.pdf>