

Three Parks Independent Democrats Resolution in Support of Retired NYC Workers

Adopted by the membership
11/08/2023

Resolved:

That Three Parks Independent Democrats supports, and urges all City Council members to co-sponsor, bring to the floor and vote for Intro 1099, a bill that will guarantee retired City workers the health care they were promised as a condition of employment, a choice between traditional Medicare with City funded supplemental Medigap insurance or Medicare Advantage.

That Three Parks Independent Democrats opposes the ongoing attempts by the Adams Administration and the Municipal Labor Council to transfer over 250,000 retired city workers out of traditional Medicare and into a private for-profit Medicare Advantage program.

How it works:

Traditional Medicare is a Fee-for-Service plan. Doctors, hospitals and other health care providers send your bill directly to Medicare for payment. Medicare pays 80% of the bill, and the rest is paid either by you, or by your Medigap Insurance. That Medigap insurance is the benefit long provided to retired NY City workers, which the Mayor wants to take away.

Medicare Advantage is paid for by Medicare but administered by private for-profit companies. The Advantage companies receive from Medicare a lump sum monthly payment for every enrollee, out of which they pay your medical bills, as well as their administrative costs and profit. Needless to say, the less they spend on services, the more they keep for profit.

Background: New York and cities and states across the country, are moving retirees into Medicare Advantage insurance as a cost saving measure. Money may indeed be saved because retirees will no longer have the benefit of paid Medigap insurance, but the amount saved locally becomes an additional cost to the National Medicare System which already operates at a deficit. This will add to the Republican clamor to cut benefits.

Intro 1099: is an amendment to the NYC Administrative Code that would require the City to offer Medicare-eligible City retirees and their Medicare-eligible dependents at least one City funded Medigap plan with benefits equivalent to or better than those previously offered. Council Member Gale Brewer is a co-sponsor. Council Member Shaun Abreu is not.

The NY State Supreme Court, in a suit brought by the NYC Organization of Public Service Retirees, barred the City from removing the Medigap benefit and forcing retirees into Medicare Advantage. The City is appealing, and if the case reaches the US Supreme Court, it will have national ramifications. If the retirees lose in a higher court, Intro 1099, if passed, would still protect them,.

Why Retirees Oppose Medicare Advantage:

- Denial of care. The Inspector General of the Department of Health and Human Services found that, “Medicare Advantage Organizations (MAOs) denied prior authorization and payment requests that met Medicare coverage rules by: using MAO clinical criteria that are not contained in Medicare coverage rules; requesting unnecessary documentation; and making manual review errors and system errors.”
- More limited provider network - Medicare Advantage plans have provider networks, so you may not be able to see any doctor or use any hospital like you can with original Medicare. You generally have to stay in-network except for emergencies.
- Extra costs - Medicare Advantage plans can charge copays, coinsurance and deductibles that don't exist with original Medicare. There may be costs for using out-of-network providers as well.
- Prior authorization – Medicare Advantage plans require prior authorization for services and referrals to specialists, which isn't required in original Medicare.
- Less coverage when traveling - Original Medicare covers you nationwide, while Medicare Advantage plans generally only cover emergencies when traveling outside the plan's service area.
- Harder to switch plans - You can switch Medicare Advantage plans once a year during open enrollment. It may be more difficult to switch back to original Medicare.
- Provider network changes - A plan's provider network can change year to year, so your doctor or hospital may no longer be covered.

In summary, to increase profits Medicare Advantage denies necessary care, limits provider choice, has extra out-of-pocket costs and makes it harder to change plans compared to original Medicare's open access and stability.