

Hello Everyone!

We've been asked to provide a synopsis for the many new members who have joined our group.

Two weeks ago, the First Department Appellate Court affirmed the Supreme Court Decision of March 3, 2022. Unanimously. What does that mean? The Supreme Court found that the City and MLC violated the law when they attempted to charge Medicare eligible retirees to keep their current plans when opting out of the Medicare Advantage plan, they were trying to force us into. The reason? The charge (the penalty premium) was under the statutory benchmark the City was required to pay up to. That statutory protection is provided by the Administrative Code 12-126. It states, in part, that the City must pay up to the HIP HMO rate (about \$775 at the time) for employees, retirees and their dependents, and charging us \$191 a month was illegal, as it was under the benchmark amount.

Let's rewind.

Why did the City and MLC want to force us into ONE plan? The Municipal Labor Committee entered into an agreement in 2014 with the City that stemmed from the 2014 United Federation of Teachers (UFT) contract. The UFT negotiated raises of 18% over 9 years but it was required to get the MLC to agree to convey \$1Billion from the Health Insurance Stabilization Fund (HISF) to the City to pay for the negotiated raises and agree to healthcare savings. It is the first time to our knowledge that a single union negotiated raises to be partially funded by other unions. The HISF was primarily created to equalize the cost of GHI CBP to HIP HMO (the benchmark) to keep GHI CBP premium free for in-service and pre-Medicare retirees.

That agreement resulted in the 2014 and 2018 MLC agreements which increased healthcare copays, narrowed networks of providers in the GHI CBP plan for radiology, primary care providers, specialists and urgent care centers, and significantly increased copays for emergency room usage. They even agreed to lower the HIP HMO benchmark resulting in the City paying less for insurance, reducing which plans were under that cap and how much was transferred from the City into the Stabilization Fund. So what was deemed a "savings" by the City and MLC, is really cost transfer, merely passed along to employees and retirees.

Medicare Advantage plans (MAPs) are federally subsidized. This means that the government pays the insurer, so the City does not have to. The premium the insurer charges increases as enrollment decreases, and the profit-sharing agreement in the contract decreases as enrollment decreases. In the City's own communication with the Alliance in 2020 (the original provider of the "custom" MAPP created for NYC retirees), they admit that if choices are available to Medicare eligible retirees, the City will not see the savings they were hoping for (purportedly \$600M). This makes it abundantly clear that the intention of the City and the MLC from the start was to eliminate choices of plans to Medicare eligible retirees. And that is what they did when they rolled out the plan in 2021.

In the last few weeks, the MLC and many of its member unions, such as the UFT, DC37 and Sanitation, have been going to great lengths to get their in-service members to convince City Council to change the Administrative Code we won our case on as a means to circumvent the Judge's order. They have been pitting in-service workers against Medicare eligible retirees and blaming us for defending benefits we have had for 55 years, that pay less than 20% of our health bills. Why should we be blamed for protecting benefits we earned, paid for, and were

promised? And why shouldn't we push back when the City and the MLC are willingly and wantonly selling off benefits for their raises and don't think twice about forcing us into an inferior plan? Some of these unions have been threatening that an arbitrator will take away choices of plans and only leave us the MAP, yet, as previously stated, that was THEIR plan all along. They made a bad deal and blame us for not allowing the bus to drive over us. We stand together, to protect what we all have earned and paid for! What we hope everyone realizes is that not only are we protecting ourselves, we are protecting in-service and pre-Medicare retirees, as well. We are even protecting those very same union heads who fail to protect us, although they don't seem to realize it. Because TWO courts and SIX judges affirmed the Retirees were correct, how does that make us wrong? It doesn't. You are hearing gaslighting, and blame being placed on the victims.

Further, going against the Judge's decision, the City is charging copays on the GHI Senior Care plan which costs less than the benchmark. To further protect retirees, we filed a class action against the City for illegally charging co-pays on the Senior Care plan. As this case progresses, we will keep you informed.

Lastly, it's taken a year for the IRS to process our 501c3 application. Because we are focusing primarily on litigation and our work does not only benefit lower income retirees, we have been informed that the Organization does not qualify for 501c3 status. What this means is that contributions that are and have been made are not tax deductible to the contributor. We will be submitting an application for 501c5 status, which will allow the Organization to be tax exempt but not tax deductible to contributors.

Our intention is to develop a 501c3 arm that will be tax deductible to contributors. The 501c3 will narrowly fund projects it specifically fundraises for that serve lower income retirees through education and advocacy. It will take a few months before we are able to put the 501c3 together since we are currently focused on the latest litigation. We will update you as the process continues.

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Homework continues. We ask you to make calls & email City council daily asking them to protect retirees and to protect 12-126 and ensure we are not forced into a Medicare Advantage plan. We have some help on our website to assist you in that process.

Yours in TRUE Solidarity,

The NYC Organization of Public Service Retirees