

EVELYN JONES RICH

TESTIMONY before the Committee on Civil Service and Labor of the New York City Council

October 28, 2021

Good Afternoon! I am Evelyn Jones Rich, Executive Director of the New York City Chapter of Americans for Democratic Action and a municipal NY City retiree.

Promises made are promises betrayed by a New York City government representing eight plus (8+) million people. It is a government charged with addressing society's needs including health care, sanitation, transportation and education.. However, current policies put meeting these needs in jeopardy.

When I became an employee of the NY City Board of Education in 1962 I was promised a pension and health care in retirement. NYC is in the process of betraying these promises in the case of health care.

Resistance to the decision of the Municipal Labor Committee to transfer 250,000 municipal retirees - like me - and our families from Medicare to a Medicare Advantage Plus Program involves far more than the retirees affected. First, it involves the 326,000 people currently in the City's work force with an emphasis on the 18% now eligible to retire and the 26% who will be eligible to retire within the next five years. Next, it involves all those in the City who pay health care costs to insurance companies, pharmaceutical companies and insurance companies as well as other companies, corporations and individuals who profit from exploiting the basic health care needs of the City's residents.

And, further, it involves all those who have no health insurance at all but whose health care needs are ever present. Whether these needs remain met or unmet affects all of us – directly or indirectly.

Health care in a human right and the tenets of a democratic society require that these needs be met. During World War II the government responded to the problem of inflation by authorizing labor unions to negotiate health care instead of wage increases as a benefit to members. Linking health care to employment has transformed health care in the U.S. and set the stage for the growth of astronomical profits at the expense of ordinary citizens.

The current health care crisis has been in the making for years. The 2014 Agreement which Mayor De Blasio struck with the Municipal Labor Committee put in motion the events which explain why we are where we are today. In that deal the MLC agreed to finance increases in members' benefits from health care "savings" thereby accepting the austerity budgets which have characterized the City for some time now. Rather than raising taxes on real estate and finance interests former Mayor Bloomberg refused to negotiate any increases with the MLC. The De Blasio administration has continued that practice.

The implementation of the 2014 Agreement over ensuing years resulted in reducing money in the Joint Stabilization Fund. In 2018 the MLC identified eight options for responding to the impending funding crisis. Because the MLC operates in secret with little transparency too little is known about the exploration of all the options. What is known is that NY State in the 1980's had a "payer rate" system – along with Maryland - where an independent State Commission of health care experts appointed by the Governor told hospitals what each of them could charge, with a bit of leeway, requiring that each insurer reimburse a hospital at the same rate for a medical intervention. In the early 1990's unions' court challenges to the "payer rate" system were successful arguing, in part, that union members should not pay the same amount for health care that non-union members pay.

This action left us at the mercy of hospitals, drug and insurance companies and costs began a steady increase.

Let me leave you with several ideas. First, NY City must reject the transition of its retirees to a Medicare Advantage Program. We must reject the austerity which continues to starve us and others of the funds NYC government needs to properly serve its constituency. We are all entitled to quality, affordable, comprehensive health care – regardless of our age.

In the context of Medicare NYC retirees include a significant number of people of color. Due to the racism intrinsic in our society, for the most part, minorities have limited access to health care and receive it in arenas which often do not reflect the highest quality. A Medicare Advantage Program limits further access to providers, often delays in accessing specialized care and , sometimes, increases out-of-pocket expenses. All these impediments affect communities of color disproportionately.

Next, given the requirement that some retirees are forced – for financial reasons – into a Medicare Advantage program, safeguards to protect them must be in place. These include sufficiently large and diverse networks of physicians, fair and reasonable prior authorization policies, an effective appeal process and a hotline to the Medicare Rights Center.

Finally, there should be a full-court press toward achieving passage of the New York Health Act. The Act provides comprehensive care. There are no premiums, no deductibles and no copays! It offers a choice of doctors and hospitals and is paid for through public funds and new progressive taxes. It is not tied to employment. Passage will guarantee Medicare for All New York State residents and provide a model for other States to emulate on the way to a national Medicare for All program.

In conclusion, union leaders must either lead or get out of the way! With the struggle for improved health care off the table via passage of the New York Health Act, unions can concentrate on achieving increased wages, expanded educational funding, and environmental issues including global warming, pollution and waste disposal. We, retirees, not only demand but will work relentlessly to achieve our goal of universal, affordable, comprehensive health care as our right! As legislators you are either for us or against us. We are watching you! The time is now. The choice is yours!