

## AMERICAN FEDERATION OF STATE, COUNTY & MUNICIPAL EMPLOYEES, AFL-CIO

125 BARCLAY STREET NEW YORK, NY 10007-2179

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Dec. 11, 2024

Re: Important Updates Regarding Your Health Care Benefits

Dear DC 37 Retiree,

I hope you are taking time to enjoy this holiday season surrounded by family and friends. Before the end of the year, I wanted to take a moment to update you on several issues regarding your retiree health care benefits. District Council 37 and the Municipal Labor Committee are continuing our commitment to fight to protect your access to quality, premium-free healthcare.

Unfortunately, as we move into 2025, we continue to face tremendous challenges with the cost of health care for both retirees and current employees. As expected, funding for the Health Benefits Stabilization Fund is now depleted. The fund was created by the City of New York in the early 1980s to help stabilize healthcare costs for active City workers, retirees, and their dependents. While the bill for health coverage continues to rise, the negative balance in the fund is continuing to grow.

#### **The Good News**

We are pleased to report that DC 37 signed a new contract for the SilverScript plan with Aetna that will allow us to continue to cover retirees and their dependents' prescription coverage. Keeping this commitment is essential to ensure that retirees and their dependents have the prescription drugs they need even as we have seen costs rise for covered medications by 13%.

#### **PICA Program**

The PICA program covers injectable and chemotherapy medications for pre-Medicare retirees (and some retirees that are transitioning to Medicare). The current funding situation for the PICA program is grim and the City has informed us that they will stop paying for the program now that the Stabilization Fund can no longer afford it. Our primary concern going forward is how to continue providing access to cancer and diabetes medications that many of our working and retired members depend on. We are currently negotiating with the City to find savings and funding to continue this lifesaving program.



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#### **Medicare Advantage Plan**

As you know, the City proposed moving retirees into a Medicare Advantage plan a few years ago in an effort to preserve premium-free health care for retirees, knowing the stabilization fund was in danger. A group of retirees sued the City to stop this change. We expect a decision in the pending lawsuit early next year. However, no matter the verdict, the fact remains we cannot escape the realities of the rising costs of health care. Absent a viable solution to pay for working and retiree member health care, all of our premium-free health care benefits will continue to be at risk.

#### Copays Starting Jan. 1, 2025

For those retirees covered by Senior Care GHI, a recent court decision is restoring \$15 co-pays for most doctors' visits starting January 1, 2025. The copay is a set dollar amount that you pay for commonly used health services. Retirees are still responsible for the annual Medicare Part B deductible and GHI deductible. You will receive your new insurance card in the mail with this information.

## **Harmful Legislation**

New York City Council Member Christopher Marte has introduced a shortsighted bill that attempts to unlawfully restrict the right of public service workers and municipal unions to negotiate retiree health care. The bill, Intro 1096-2024, violates state and local laws which require health benefits received in retirement to be a mandatory subject of bargaining. It is the statutory duty of unions and their government employers to negotiate the scope of benefits employees receive when they retire. As recognized by the New York Court of Appeals and reaffirmed by recent lower court decisions, the rights of retirees to these benefits are defined by the collective bargaining agreements originally reached by their unions when those employees were working.

The bill also fails to address the underlying issues of controlling and funding rising health care costs. While this bill claims to help retirees, it is a wolf in sheep's clothing. Removing municipal unions' ability to negotiate for quality, premium-free retiree health benefits is quite frankly the opposite of helping retirees. We encourage you to call your New York City Council Member today and tell them: I'm a retired City worker— Please do not support Intro 1096-2024!



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## **Health Care Survey**

In an effort to find additional solutions to the rising cost of health care and ensure we can maintain premium-free benefits for City workers and retirees far into the future, DC 37 is conducting a union-wide survey of member health care costs to identify unfair billing practices. The survey is designed to review and analyze the cost of hospital care, surgeries, and other procedures members have received over the past year. If you have experienced unfair billing in the past year please consider filling out the survey by going to **www.healthcare.dc37retirees.org** or scanning the QR code below.



For too long, DC 37's working and retired members have sacrificed to keep costs low while others reap richer benefits. Enough is enough. We are fighting to put an end to the culture of inequity in our health care system today by taking rising health care costs head on.

We must work together to continue to provide the highest quality, premium-free health care for New York City public service workers and retirees. We hope you will join the fight!

In solidarity,

Henry A. Garrido Executive Director

District Council 37