New York City municipal unions promote massive cuts to health care for retirees

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An agreement between New York City and the Municipal Labor Committee (MLC), a coalition of city trade unions, will transfer health care benefits from Medicare to Medicare Advantage, a privately run, for-profit plan, for over 250,000 retired city workers and their dependents. Workers affected include teachers, faculty and staff of the City University of New York (CUNY), sanitation workers, housing, parks, and administrative workers, firefighters, emergency medical technicians, and retired workers from many other job categories.

Last month, the online newspaper *The City* reported that the cost-cutting measures, which were agreed upon in principle by the city and MLC in 2018, were close to being finalized and retirees would now be switched to Medicare Advantage. Currently the city and unions are deciding which insurance conglomerate, Aetna or Empire BlueCross BlueShield, will manage the plan.

Medicare Advantage—which hands over management of Medicare to private insurers, is part of a bipartisan effort to privatize health care in the US. The legislation to implement it was enacted by the Democratic Clinton Administration in 1997. In 2019, then-President Trump signed an executive order that loosened requirements for corporations to sign up with Medicare Advantage. Nearly one-third of American employers now use the program.

Retirees from city agencies are currently insured by Medicare, the US government's program for people over 65, but that is supplemented by payments for outpatient procedures and a city-funded "Medigap" program, which pays for services not covered by Medicare. The change in plan is expected to save the city $600 million as part of a total 2018 goal of $1.1 billion in savings for the city for 2019-2021 negotiated by the MLC.

Most analysts agree that under Medicare Advantage it is likely that retirees will have significantly fewer doctors to choose from and will pay out-of-pocket expenses, as much as $6,000 annually for each retiree, according to *The City*. Many more procedures and services may have to be pre-approved, including ambulance and mental health treatment.

The new plan has sparked anger among retirees. Three hundred and twenty members of the retirees' chapter of the Professional Staff Congress (PSC), which negotiates with the city on behalf of employees of CUNY, attended an online meeting on April 5.

The meeting passed a resolution calling on the PSC to seek a "moratorium on any agreement between NYC and the MLC to move retiree healthcare coverage from Medicare/Senior Care to Medicare Advantage."

The Council of Municipal Retiree Organizations (COMRO) of New York City issued an open letter to Democratic Mayor Bill de Blasio and the MLC, which stated, "The lack of transparency in your rush to change this program is both insulting and frightening to those of us who have collectively worked millions of years serving the people of New York City. How can we trust our very health to a back-room deal based on a dubious assumption of cost avoidance?"

COMRO has also addressed a petition to de Blasio and the MLC, titled, "Preserve Medicare Part B for NYC Retirees," which now has over 11,000 signatures.

A meeting of Retiree Advocates, a caucus of the United Federation of Teachers (UFT), attracted over 300 people on May 3, resolving to call on the UFT to "keep its members apprised of proposed changes in Medicare Part B."

Since the issue has become public, the unions have been working at damage control, falsely claiming that retirees and in-service workers will receive the best medical care possible. In a meeting of the UFT retirees' chapter on May 4, UFT president Michael Mulgrew told members that there would be no downside to switching to Medicare and that the unions in the MLC were "telling insurance companies we have 250,000 [retirees] in plan and we want to know what you will do for us."

Mulgrew's remarks echo the lies of the city administration. In an interview with *The Chief*, a newspaper that focuses on New York labor issues, Renee Campion, the City Labor Commissioner, said, "We are committed to our retirees and making sure any new program will increase quality and benefits while reducing costs to the city."

The messaging is the same because both the city and the unions represent the same ruling-class political organization—the Democratic Party—and its goals of forcing austerity on the working class.

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There is widespread distrust towards the unions among teachers and other city workers. In an online report of the UFT meeting, one anonymous teacher commented, “I don’t believe one solitary word out of Mulgrew’s lying mouth, and neither should anyone else. He’ll eventually screw the retirees and say the UFT had no choice but to accept this as part of the 2018 contract that stipulated undisclosed health cost savings.”

In a comment on COMRO’s petition to the MLC, one signer wrote, “I am a NYC teacher who watched my mother and father struggle to afford medical care in their elder years. We work our whole lives for the betterment of children and the world, our thanks should not be you’re on your own for medical coverage after retirement.”

Another wrote, “This is a betrayal of promises made to me as a New York City teacher. These changes could literally be life-threatening for some of us. The whole process has been deceptively secretive. None of this is acceptable.”

Betrayal is the operative word. The anger and suspicion directed at Mulgrew and the MLC by retirees and in-service city workers is entirely justified because they are the face of the unions, which are deeply discredited and function to make deals that benefit private health care and the city at the expense of their memberships.

This is certainly the understanding that big business has of these organizations. In an article written during the budget crisis brought about by the pandemic last year, a report of the pro-business Citizens Budget Commission noted, “The City’s municipal labor unions have been integral to the management of prior fiscal crises; union leaders have made concessions or signed agreements generating savings in every recession or crisis since the 1970s.”

The unions have demonstrated during the pandemic that they will acquiesce to massive budget cuts made by the city, as $800 million was slashed from the city’s education budget by the Democrats last year without a whimper of protest from the UFT or any other member union of the MLC. This is at a time when New York state’s 125 billionaires vastly increased their net worth. The wealthiest man in the state, former Mayor Michael Bloomberg added $11 billion to his 2020 net worth of $59 billion.

As the WSWS noted during last year’s education budget cuts, “Michael Mulgrew, the president of the United Federation of Teachers (UFT), has accepted the budget cuts in principle. He has merely disputed where the cuts are to come from and suggested that the unions should be involved in budget-cutting decisions.”

How the UFT and other city unions care for the health of its members—and particularly its seniors—as well as the rest of the population was seen in the close collaboration they played and continue to play in opening schools and other non-essential businesses before the pandemic has been contained. No one who understands this can believe that these organizations will lift a finger to safeguard health care insurance for retirees, or, for that matter, in-service members. The UFT, in fact, negotiated away health care plan choice for new educators in 2018.

The trade unions as instruments of ruling class policy will do nothing to safeguard or advance the right of workers to decent and affordable health care. That is readily apparent in the two struggles by graduate student workers at New York University and Columbia University in the last few weeks, where the United Auto Workers (UAW) has dropped any comprehensive demands to improve grad worker medical care.

The anti-working class character of the unions will soon become apparent to hundreds of thousands of active and retired city workers as the unions capitulate to an austerity budget now being prepared for contract negotiations this year.

The pandemic has vastly accelerated the class struggle. Wall Street and the Democratic Party depend on the unions to suppress growing opposition in the working class to conditions of a continuing pandemic, austerity and war. To carry out a genuine struggle in its own interests, the international working class must fight to build new organizations that are politically independent of the capitalist parties and the unions, rank-and-file committees democratically controlled by the workers themselves. On May Day this year, the International Committee of the Fourth International initiated the call for the building of a global network of such committees through the International Workers Association of Rank-and-File Committees.

Since August, the New York City Educators Rank-and-File Safety Committee has taken up a struggle among educators in the city for a new perspective and new organization. This struggle must be expanded to sanitation workers, health care workers, city administrative staff and faculty at CUNY, and all other sections of the working class, to create the broadest possible unification of the working class. We urge all municipal workers in New York City to sign up today to build a rank-and-file committee in your workplace or sector.

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