Build a Better Health Plan, Mayor: How Adams Can Pick Up the Pieces from the Medicare Advantage Debacle

In “Build a better health plan, mayor: how Adams can pick up the pieces from the Medicare Advantage Debacle” (New York Daily News 03/05/2022), partner Steve Cohen introduces the extraordinary court victory he obtained on behalf of NYC retirees and makes an advisory comment on what he thinks can be a “win-win-win scenario” for the City of New York and its retirees.

On March 3, 2022, the New York Supreme Court ruled that the city can’t “force Medicare-eligible retirees off what is known as a Medicare Supplemental (or Medigap) plan, and onto what is known as a Medicare Advantage plan” by making “retirees pay $191 a month to stay on their existing supplemental plan.” Advantage plans, though fully funded by the federal government, are not accepted by many doctors since they are run by private insurance companies and pay less for services. In addition, the Advantage plans require “prior authorization,” a procedure through which the insurance companies review how necessary a medical treatment is. According to the American Medical Association, “83% of doctors report that prior authorization requirements harm the continuity of care; 94% report delays in necessary care; and 21% report that prior authorization has led to a patient’s hospitalization.”

While the City is “weighing its options” moving forward, Steve Cohen suggests a “win-win-win scenario.” The legal rights and hard-earned benefits of the retirees could be respected, while saving the city budget and receiving federal subsidies, by telling interested insurance companies to redesign “a new Medicare Advantage Plan that is actually as good as retirees’ existing supplemental plan.” A new plan, according to Steve, should be accepted by all doctors for the continuance of the retirees’ healthcare services and should not impose prior authorization requirements. Moreover, switching to the new plan should be voluntary.

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