



<b>Consequences of Changing 12-126 (MLC/City Proposal)</b>	<b>Consequences of Preserving 12-126</b>
Coverage will vary based on “classes of individuals” as determined by the MLC/City.	Every employee and retiree has a choice of plans equally that has served them well for over 55 years.
The MLC/City can peg a less expensive benchmark to any “class of individuals.”	The benchmark is equal for all employees and retirees.
Will create haves and have nots: those who can pay more will have more options than those who cannot.	Plan choice is based on need, not ability to pay. Most plans currently offered are UNDER the benchmark.
Sets a precedent that will allow for further diminution of benefits, such as Medicare B reimbursement.	Medicare B reimbursement is preserved, as was legislated, to protect retirees from additional premiums
Sets a precedent that will allow for further diminution of benefits, such as widow/widower benefits.	Widow/widower benefits are preserved, as was legislated, to protect spouses.
Adds risk of inflationary increases and additional copays or premium if the federal subsidy for Medicare Advantage plans is reduced or costs increase.	Inflation protection is built in by setting the benchmark to the HIP HMO premium.
Loss of equality and protection.	Equality and protection preserved.
Retirees/Employees will have “choice” but they will not be premium-free. Choice will come at a cost because the MLC/City will reduce the benchmark the City must pay up to*	Retirees/Employees have choice and, as long as they are all under the benchmark, they will remain premium free.
Would challenge recruitment of city workers because benefits are not promised	Ensures all city workers that benefit promises made when hired will be protected

\*The MLC/City intend to change the benchmark for Medicare eligible retirees from the HIP HMO premium of \$918/month to the Medicare Advantage premium of \$7.50/month. This means the City will not have to pay above \$7.50/person/ month.

- Under the 1992 MLC Health Agreement, the City MUST negotiate all aspects of healthcare with the MLC. No unilateral changes can be made. Plans can be added or removed ONLY by mutual agreement between the MLC and City. This is the collective bargaining protection.
- **DC37 has the largest number of retirees who are mostly people of color, and low income. TWO THIRDS of those retirees have pensions under \$25k, ONE THIRD of those earn \$10k.**