



Retired Public Employees Association

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MEMORANDUM IN SUPPORT

S.8118, by Senator Tedisco
A.10337, by Assemblyman Abinanti

AN ACT to amend the general municipal law, in relation to providing notice of health insurance contracts for retired officers, employees, and their families

As the association representing retired public employees, RPEA has made the preservation of local public retiree health insurance benefits a **high priority** in its 2018 Legislative Program.

This bill would amend the General Municipal Law to require the governing board of a public corporation to give 30 days' advance notice to their retirees before authorizing a change in health insurance coverage for such retirees. There is currently no statutory requirement for any notice. The bill also provides that when a health insurance plan amendment is contracted for as part of collective bargaining negotiations, the notice would be given at the time such amendment is made binding on any covered retired officers, retired employees, or their families. The bill further provides for delivery of the notice to the covered retirees either by mailing the full text of the amendment to the covered retirees or by providing a summary and a secure web address where the full text may be found.

Such notice would provide an opportunity for local government retirees to be heard with respect to the decision by their former employer to change their health insurance benefits before the change is legally authorized. With the cost of health insurance rising constantly, it is essential that retirees and their families are aware of the implications of any proposed changes, so that they may plan accordingly.

A prior notice requirement is common in the health insurance industry. As a matter of fact, the Affordable Care Act (ACA) requires a more extensive 60 days notice provision for individual and small group policy holders. Also, the New York State Health Insurance Plan (NYSHIP) routinely provides advance notice for changes in retiree health insurance coverage. Local governments, however, are exempt from the ACA provision and are not statutorily required to provide any prior notice.

The cost of such notice is miniscule when compared to additional premium amounts which the retirees could be forced to pay. As noted previously, such notice requirement is routine and commonplace in the industry and most certainly cannot be construed as "enhanced retirement benefits".

For the above reasons, RPEA strongly supports this legislation recommends that it be passed by the legislature.