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Comptroller Lander Declines to Register Medicare Advantage Contract Pending Litigation

June 8, 2023

New York, NY – The Comptroller’s Office declined to register the City’s contract with Aetna to transfer City retirees to a Medicare Advantage program for their health care coverage. A pending lawsuit, brought on behalf of retirees, questions the City’s authority to enter into such an agreement.

Comptroller Brad Lander issued the following statement:

“The Comptroller’s Bureau of Contract Administration carefully reviewed the City’s contract with Aetna and returned the contract to the Office of Labor Relations without registering it. Pending litigation calls into question the legality of this procurement and constrains us from fulfilling our Charter mandated responsibility to confirm that procurement rules were followed, sufficient funds are available, and the City has the necessary authority to enter into the contract.

“As a matter of public policy, beyond the scope of our office’s specific Charter responsibility for contract registration, I am seriously concerned about the privatization of Medicare plans, overbilling by insurance companies, and barriers to care under Medicare Advantage.



"I appreciate the work of the Municipal Labor Council and the Office of Labor Relations to negotiate improvements to the Aetna contract to address some of the concerns raised by retirees. However, the broader Medicare Advantage trends are worrisome. [Recent investigations \(https://www.nytimes.com/2022/10/08/upshot/medicare-advantage-fraud-allegations.html\)](https://www.nytimes.com/2022/10/08/upshot/medicare-advantage-fraud-allegations.html) identified extensive allegations of fraud, abuse, overbilling, and [denials of medically necessary care \(https://oig.hhs.gov/oei/reports/OEI-09-18-00260.asp\)](https://oig.hhs.gov/oei/reports/OEI-09-18-00260.asp) at 9 of the top 10 Medicare Advantage plans, including CVS Health, which owns Aetna.

"As health care activist Ady Barkan [wrote last month \(https://www.thenation.com/article/politics/medicare-advantage-health-care/\)](https://www.thenation.com/article/politics/medicare-advantage-health-care/), noting that half of Medicare enrollees nationwide have been transferred from traditional Medicare to private Medicare Advantage plans: 'Once corporations privatize every inch of the public provision of health care, we may never get Medicare back.'"

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