

Statement from Comptroller Brad Lander on Medicare Advantage Plan Contract

March 30, 2022



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“Due to the legal and budgetary uncertainties that remain while litigation over the City’s contract with Anthem Insurance Companies continues, the Comptroller’s office does not have sufficient information to register the proposed Medicare Advantage Plan contract at this time.

“Over the last 30 days, our Bureau of Contract Administration has posed detailed questions to the Office of Labor Relations (OLR) regarding various questions about the documentation and budgetary impacts of this proposed contract, and we appreciate their cooperation. However, given that planned cost savings are currently unknown, as OLR acknowledged, due to delays in the implementation of the new Medicare Advantage Plan and the court decision to invalidate the requirement for retirees to pay additional premiums to keep their old health plans, our office cannot currently assess the total cost to the City and fulfil our mandate to confirm that the contract is fully funded.

“We are asking for the Law Department to confirm that their prior approval as to legal authority is still valid, given the court’s decision, and for the Administration to provide a new cost estimate for the program, which may not be possible until issues raised in the litigation are resolved.

“As a result of these outstanding questions, following a rigorous review of the City’s proposed contract with Anthem Insurance Companies to provide health care services to City retirees, my office is returning the contract to the Administration.”

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