

June 6, 2013

To PSC Members:

The City of New York, which administers the health insurance program that covers CUNY faculty, staff and retirees, has begun an “audit” of dependents on City health insurance. The announced purpose of the audit is to determine whether dependents covered under the City health insurance plan are in fact eligible for coverage. If you have a spouse, child or other dependent covered under the City health plan, you should expect to receive correspondence from the City about the audit. The union wants to help you to be prepared.

The audit is not on behalf of or approved by PSC or any other municipal union; it is a City initiative. The City has asserted that it has the legal right to determine whether dependents receiving health coverage are legitimately entitled to be covered, and has hired a for-profit consulting company to conduct the audit. It is not hard to see a connection between the City’s decision to conduct the audit at this time and the City’s approach to contracts for public employees— which includes a demand to shift more of the cost of healthcare onto employees. The Municipal Labor Committee, the coalition of public-worker unions, is seriously considering a legal challenge to the way the City is conducting the audit.

On June 3, the City’s Office of Labor Relations sent a letter to all current employees and retirees who have a spouse, child, or other dependent covered under their City health insurance plan. The letter asks those who receive it to prepare to submit documentation of the eligibility of their dependent/s. (If you do not have dependents covered on your health plan, you should not receive the letter. Retirees over 80 years old should not receive a letter either.)

Assuming the audit proceeds, you will receive a second letter later in June, if you have dependents, specifying the documents you need to submit for each dependent. Do not send original documents—they will not be returned to you! The second letter will state that the eligibility of dependents needs to be verified by September 20, 2013 to avoid their being removed from coverage.

You will be asked to submit copies of required documents by mail, by fax or by scanning and emailing them. PSC leadership encourages you to begin collecting needed documents but to wait until you receive the second letter from the City with more detailed instructions before you submit them.

As part of the Municipal Labor Committee, the PSC is working to resolve a number of issues, including questions about the security of your information, the timing of the letters and the requirements for documentation. In the meantime, however, we encourage you to pay attention to the letters from the City and to compile the necessary documents. If the audit proceeds as planned by the City, the consequences of ignoring the letter or failing to produce the necessary documents are serious. Dependents for whom the required information is not supplied risk losing their health coverage.

The letters direct employees and retirees to a website for instructions on how to comply with the audit. The letters also provide a phone number for questions. The website and phone number are operated by the consultant hired by New York City to conduct the audit. Because the audit is being conducted by the City and handled by a consultant, neither the PSC nor the PSC-CUNY Welfare Fund can provide assistance in responding to the letters.

The union will, however, continue aggressively to monitor the conduct of the audit, to challenge it in court if necessary, together with other unions, and to minimize potential negative consequences for you. While the need for accurate health insurance coverage information is obvious, the rights of members must also be protected. The PSC leadership will continue to update you as we learn more.

Yours sincerely,

Barbara Bowen

President, PSC/CUNY