

# Judge Thwarts City's Attempt to Secure A New Health-Care Firm

By DAVID SIMS | Posted: Monday, October 7, 2013 5:00 pm

The Municipal Labor Committee Sept. 30 won an injunction against the city's efforts to release a Request for Proposals on a new health-care provider for city employees, with Manhattan Supreme Court Justice Melvin Schweitzer saying the unions would suffer "irreparable injury" if the RFP went ahead without labor's input.

The MLC sued the city Aug. 9 to block the RFP, saying Mayor Bloomberg, now in the final months of his administration, was looking to rush that process and lock his successor into a health-care deal.

## Claim Minimal Discussion

A 1992 health-care agreement requires union input on any such RFP, but the MLC said it was barely consulted by the Mayor and his Deputy Mayor, Caswell Holloway, who announced it.

Justice Schweitzer dismissed the city's argument that blocking the RFP would prevent much-needed savings. "Although the city argues that delaying the issuance of the RFP is costing it millions each day, the truth of the matter is that the injunction will merely preserve the status quo. The city will not suffer any harm from the delay," he said in his decision.

"The court declines to void a long-honored contract, and an even longer-honored tradition of cooperation in the procurement process between the parties," he added, referring to the 21-year-old agreement.

"We were never ever against the RFP. If they had done it the right way, we never would have been pushed into a corner with this thing," MLC Chairman Harry Nespoli said in a phone interview.

## 'Coverage Wasn't As Good'

"They came to us and handed us a 1,000-page RFP and said this is what we want to do," he explained. "We said we were never part of this, and we have that 1992 agreement...as we got into what they wanted us to accept, it wasn't as good as what they're telling newspapers. The medical coverage wasn't as good."

"We are appealing the decision which, if allowed to stand, would mean that municipal unions can unilaterally force the city to continue to spend more than \$6 billion per year on health benefits that cost too much and deny workers and their families access to the best care," Mr. Holloway said in a statement.

“Common-sense reforms that reduce costs and improve the quality of care for city employees are goals that the city’s unions should support, not frustrate and delay,” he added.

Mr. Holloway has argued that the city’s aggressive stance with the RFP has already helped bring down health-care costs, but the MLC said those savings were reached through negotiation with providers, and that ramming a multi-billion dollar system through in the final months of the Bloomberg administration was an unwelcome notion for its members.

### **‘They Won’t Live With It’**

“They didn’t give us time to sit down and look really closely at what the RFP was,” Mr. Nespoli said. “You’re talking about 500,000 people this would affect for the next 20 years. This thing kicks in six months after they’re out of office. They’re not accountable for it, but we’ll be accountable.”

While the administration can appeal the decision, Mr. Nespoli said that it was “running out of time” and predicted that the matter would be acted on by Mr. Bloomberg’s successor.

“We’ll talk to the city about it, but I think the whole thing is, they should be done now, and what they should do is leave it up to the next administration,” he said. “We’ll sit down as long as we can have the input that we had before.”