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How an early retirement plan for nurses fell apart

Plus:

- Montefiore signs in-network agreement with Humana
- Email hack exposes nearly 215,000 MultiPlan records
- Mount Sinai receives \$2M gift for study of psychedelics therapy for PTSD

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REPRINTS

By the time the pandemic arrived in New York City, Mila Jones already felt her decades-long nursing career in her back. She served as assistant nursing clinical coordinator in Mount Sinai Morningside hospital's intensive care unit, which landed her front and center in the fight against Covid-19. Jones loved nursing, but the 13-hour shifts and avalanche of deaths were wearing her down.

A new early-retirement proposal from Jones' union, the New York State Nurses Association, could not have come at a better time. Called Bridge to Medicare, the program would enable retirees and their dependents to stay on

the union health plan until the retirees age into Medicare at 65. It was the product of collective bargaining in 2019 between the union and the New York City Hospital Alliance, which committed \$4 million a year to cover early retirees at New York-Presbyterian's Columbia University Medical Center, Mount Sinai Hospital, Mount Sinai West and Mount Sinai Morningside. Nurses ages 60 to 65 who had worked at least 20 years at one of the hospitals were eligible.

Jones was 60 and had racked up enough years of service to qualify. She submitted the necessary paperwork and retired Aug. 1.

About six months later, union officials announced a change of plans: The annual \$4 million commitment was insufficient for the nearly 350 nurses who signed up. Instead, union members approved a renegotiated deal to cover up to \$9,000 of the retirees' premiums for the rest of the year but not their dependents. What would happen after that was uncertain; the next collective-bargaining agreement with the Hospital Alliance does not start until 2023.

Nancy Kaleda, the union's deputy director and a fund trustee, said more nurses than expected had signed up, and the union did the best it could given the circumstances.

"We tried to do this with as much dignity and respect as possible for the members, and we really tried to salvage something," Kaleda said.

The union had expected only 100 to 150 nurses to sign up for the program in its first year, said a source familiar with the negotiations. Then the pandemic hit and retirements among the four hospitals surged 200% between 2019 and 2020, from 50 to 150, a union spokeswoman said. This year's number of retirements is already well more than double what it was in 2019.

Jones said the union should have alerted nurses that the money could come up short—or at least warned them about the surge of early retirees. If she had known more, she said, she might have thought twice about retiring when she did. The renegotiated program covers her share of her family's \$3,000 monthly premiums but leaves her to shell out nearly \$1,900 a month for her dependents.

Kaleda said union officials were notified of the issue in summer 2020. That fall they asked the Hospital Alliance for more money, without success, she recalled.

Jones said it was not until this past March that the union disclosed the turn of events. It presented the renegotiated deal in a series of Zoom calls. In the chat section of one of them, dozens of retirees vented their frustration, a person on the call told Crain's. Several asked if they could come out of retirement.

Union members ultimately approved the plan, but the retirees were not eligible to vote.

Kaleda said the original program never guaranteed retirees coverage until they turned 65—only until the money ran out. Nurses said that was not communicated. Linden Zakula, a Hospital Alliance spokesman, said it had made it clear to the union that \$4 million a year would not be enough.

Jones said she wished the union had been more transparent or had instituted a cap on how many people could enroll. She hopes nurses going forward get a more optimal deal.

"They deserve better," Jones said. —Maya Kaufman

Montefiore signs in-network agreement with Humana

Montefiore Health system announced Thursday that it has signed an agreement with insurer Humana to provide in-network access for its Medicare Advantage members.

The multiyear deal, which was effective July 1, includes access to the health system's 10 hospitals and over 200 outpatient sites in the Bronx, Westchester and the Hudson Valley.

Distinct from government-run Medicare, Medicare Advantage plans are offered by private insurance and bundle hospital and medical care, prescription drug benefits, and other offerings such as vision and dental care. Humana offers about five such plans in the Bronx and several drug-only plans in Westchester and Dutchess counties, according to its site.

Since Humana's entry into New York in 2014, it has been looking to expand its network, a spokeswoman for the insurer said. This agreement sets the stage for current members in the Bronx and future members, she added.

Discussions with Humana began in December, a Montefiore spokeswoman said. The agreement lasts until Dec. 31, 2025, with an evergreen or automatic

renewal, she said. The number of members this agreement would benefit was not specified.

As of June 30, 2020, Humana has more than 4.5 million Medicare Advantage members nationwide. The company expects that membership to grow by about 475,000 this year, according to its first quarter financial report in April.

New York had about 1.6 million total Medicare Advantage members in 2020, according to data from the Kaiser Family Foundation.

In other news for the health system, Montefiore's dispute with UnitedHealthcare remains in a stalemate. The health system on June 4 offered its 10th proposal to restore in-network access, stating it requested "single digit" increases averaging \$24 million per year over five years. UnitedHealthcare rejected the proposal, countering that the requests were 7%, and compounding costs totaled \$433 million. Nearly 30,000 New Yorkers in the Bronx, Westchester County and Hudson Valley remain affected by the dispute.

Email hack exposes nearly 215,000 MultiPlan records

MultiPlan, a preferred provider organization that helps health insurers and other clients manage costs, has reported a hacking incident that exposed about 215,000 customer records.

According to the Flatiron District-based company, in January an outside actor gained access to an employee's email account, which contained billing-related communications with MultiPlan customers and personal information about plan participants. The firm reported the breach to the U.S. Department of Health and Human Services on June 24, records show.

"It appears that the goal of the outside actor was to divert wire payments from a small number of plan customers seeking to pay MultiPlan invoices," the company said in a statement.

Company spokeswoman Pam Walker said the firm expects that fewer than 215,000 people were affected by the breach because the exposed records included an unknown number of duplicates.

The health care industry is a top target for hackers, a recent report by Chelsea-based digital security firm Avanan found. The sector saw more than

6,000 phishing emails in a one-month span out of about 452,000 total emails, according to an analysis during the first six months of this year.

MultiPlan, which trades on the Nasdaq stock exchange, reported a net loss of \$529.6 million in 2020 on nearly \$938 million in revenue. Analysts last week projected a hit to its 2021 revenue after UnitedHealthcare, which they said may account for a third of MultiPlan's revenue, said it would stop covering certain out-of-network claims—MultiPlan's base business. The company said it does not believe the policy will have a material impact on its business.

MultiPlan is owned by private equity firm Hellman & Friedman. —M.K.

Mount Sinai receives \$2M gift for study of psychedelics therapy for PTSD

Mount Sinai's Center for Psychedelic Psychotherapy and Trauma Research has received a \$2.1 million contribution from the Steven & Alexandra Cohen Foundation, which will be used to advance post-traumatic stress disorder research, the health system announced Friday.

The study is being led by Rachel Yehuda, director of the center, and it will explore whether three sessions of MDMA-assisted psychotherapy are more effective than two for combat veterans with PTSD. The four-year study involves 60 participants and began last month. It is sponsored by the Multidisciplinary Association for Psychedelic Studies, a San Jose, Calif.—based organization focused on the research of psychedelic medicine for psychiatric conditions.

The foundation has been at the forefront of philanthropic giving toward combat veterans, Yehuda said.

The need for such research remains crucial, with more than 8 million adults in the U.S. diagnosed each year with PTSD, Yehuda said. MDMA has shown potential in recent studies, including a phase three trial by the Multidisciplinary Association for Psychedelic Studies, which showed lasting reduction in symptom severity.

Launched in 2001, the Steven & Alexandra Cohen Foundation is based in Stamford, Conn. It gave out \$54.4 million in grants and gifts in 2019 and has given \$625 million to date.

The Mount Sinai Center for Psychedelic Psychotherapy and Trauma Research was founded in January. —S.S.

Correction: The PTSD study is planned to run for four years. Its duration was misstated in a previous version of this article.

AT A GLANCE

WHO'S NEWS: John Young, chief business officer at Pfizer, announced on Friday that he will retire early next year. He will step down no later than Dec. 31, the Midtown East biopharmaceutical company said. After that, he will remain in an advisory role for a period.

Dr. Brian McMahon was sworn in as president of the Richmond County Medical Society, Richmond University Medical Center announced Friday. McMahon is chair of the hospital's department of pediatrics. Dr. Melissa Grageda was sworn in as president-elect. She is chief medical director of the hospital's pediatric intensive care unit.

CAREGIVING SURVEY: The state's Department of Health, Department of Labor and Office for the Aging have launched a survey in a public-private partnership to find out the number of workers who also serve as caregivers. The results will help the state offer these workers support and resources as well as ascertain the economic impact of employees providing unpaid care.

THIRD DOSE: Pfizer plans to seek emergency authorization for a third dose of its Covid vaccine in August, it said Thursday. A third shot could boost immunity and help ward off the recent Delta variant of the virus, it said. U.S. health officials have issued a statement saying fully-vaccinated Americans don't need a booster yet.

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