

*Municipal Labor Committee*

125 Barclay Street, Room 540, New York, NY 10007-2179

HARRY NESPOLI  
*Chairperson*



**OFFICE OF LABOR RELATIONS**

40 Rector Street, New York, NY 10006-1705

ROBERT W. LINN  
*Commissioner*

September 10, 2018

Steven Corwin, M.D.  
President and Chief Executive Officer  
New York Presbyterian  
525 East 68<sup>th</sup> Street, Box 88  
New York, NY 10065-4870

Dear Dr. Corwin:

We write jointly on behalf of the New York City Municipal Labor Committee (MLC) and the City of New York to express our serious concern about the impact of New York Presbyterian (NYP) on the growing health care cost burden shared by the City, its employees, the municipal unions and the taxpayers.

The MLC represents approximately 100 public sector unions whose members are employees of the City of New York, as well as covered agencies, organizations, and authorities. These unions represent 330,000 employees and, along with those employees' family members, retirees and the management employees of the City, provide a pool of approximately 1.2 million healthcare customers.

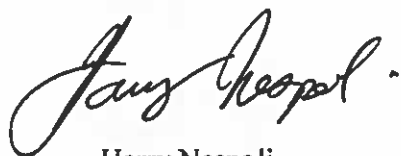
As you may be aware, over the past four years the MLC and New York City joined together to successfully generate over \$3.4 billion dollars in health care savings to help support the continuation of affordable health care for our employees. These efforts have helped moderate nearly all the drivers of health care costs with the exception of hospital costs. Our hospital costs continue to grow in double digits every year, with NYP being the single biggest cost driver of the contract with Empire Blue Cross BlueShield. Not only are the costs at NYP out of line with the rest of the market even when adjusting for severity, but NYP enjoys a large share of our hospital business. We simply can't sustain these escalating costs for our employees and continue to provide appropriate health care coverage to our employees. We need affordable rates in order for our members to continue receiving services at NYP.

While we believe that NYP is a valuable part of the New York City health care landscape, we are finding that the extraordinarily high cost structure and the lack of pricing transparency undermine our cost savings efforts. Additionally, requirements buried in the current contractual language with BlueCross BlueShield, including limitations on the ability to audit bills, serve to surreptitiously increase our costs and limit our options. As a result, we are being compelled to explore approaches to encourage utilization of more equitably priced hospital systems.

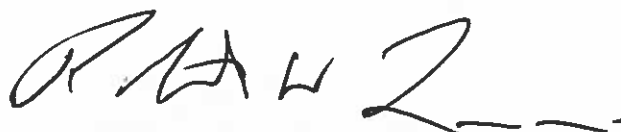
Empire Blue Cross is seeking changes in the contract with NYP that would help moderate the accelerating cost structure. The MLC and the City of New York urge New York Presbyterian to cooperate with BlueCross BlueShield in establishing reasonable, competitive rates for the high quality of medical service it offers to our members so that all the City's employees can continue to have reasonable access to a selection of hospitals.

We would welcome the opportunity to meet to discuss this essential matter.

Sincerely,



Harry Nespoli  
Chairperson  
Municipal Labor Committee



Robert W. Linn  
Commissioner  
City of New York Office of Labor Relations