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COUNCIL OF THE CITY OF PHILADELPHIA
PUBLIC HEARING

3

BEFORE THE COMMITTEE ON LAW AND GOVERNMENT

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Room 400, City Hall
Philadelphia, Pennsylvania
Monday, 6/19/01
12:16 p.m.

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RES. 000476 - Authorizing Committee on Law and
Government to investigate whether the
City-administered health plan current and in the
past has provided the most comprehensive and
cost-efficient coverage to City employees for the
premiums paid, and whether the City could provide
more comprehensive and less costly coverage to the
approximately 8,000 employees and retirees currently
covered by this plan if the other operation were
pursued.

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PRESENT: COUNCILMAN DAVID COHEN, Chair
COUNCILMAN MICHAEL A. NUTTER

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2 P R O C E E D I N G S
3 COUNCILMAN COHEN: Will the staff retire
4 to the. . .
5 The continued meeting of the Law and
6 Government Committee on health items related to
7 Resolution 000476 will continue. I'd ask Miss
8 Berkowitz and Miss Wilkerson to please come to the
9 stand.
10 (Witnesses come forward.)
11 COUNCILMAN COHEN: Before you testify,
12 will you identify yourself for the record. Is it
13 going to be Miss Wilkerson?
14 MS. WILKERSON: Yes. My name's Joyce
15 Wilkerson, and I'm Chief of Staff to Mayor John
16 Street.
17 I guess the Administration has been
18 asked to provide additional documents. Linda, do
19 you want to just describe what we have?
20 MS. BERKOWITZ: I'm Linda Berkowitz,
21 Deputy Secretary of Financial Oversight.
22 And at the hearing last Thursday, I
23 mentioned the fact that we had been attempting to
24 get certain information from the unions, including
25 DC 47, and I committed to share a letter that we had

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2 received, in terms of a copy, a letter of June 8,
3 2000 from IBC to Mr. Cronin, and we're prepared to
4 share that now, as well as a copy of a letter from
5 the City's Personnel Director to Bob McAllister of
6 District Council 47, dated June 15th, asking for
7 additional information on utilization and their rate
8 coverage, and we're prepared to hand that out now.

9 COUNCILMAN COHEN: All right. Will the
10 Sergeant-at-Arms please deliver the letter to the
11 committee.

12 MS. WILKERSON: There also is a request
13 for documents pertaining to the City's contention
14 that there are cost savings to be achieved through
15 consolidation. We've managed to identify additional
16 documents. We've referred those to the legal
17 department to --

18 COUNCILMAN COHEN: Could you hold it one
19 minute. Could the Sergeant-at-Arms please close the
20 window in the rear. I'm having difficulty hearing
21 even with my hearing aids because of the competing
22 noise from the streets. And if the Sergeant-at-Arms
23 could close the blinds so that there won't be the
24 glare shielding the witnesses.

25 Thank you very much.

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2 All right. Now, could you repeat what
3 you were saying about that document.

4 MS. WILKERSON: Council has requested
5 documents that support the City's position that
6 there are cost savings to be achieved through
7 consolidating of the plans. Thus far, we've not
8 produced the documents. We've conducted further
9 investigations and have, through our counsel,
10 identified documents that appear to be responsive.
11 We've referred them to the Law Department so that we
12 can be assured that they're not protected by some
13 kind of privilege or otherwise confidential.

14 Those were referred to the Law
15 Department today. I hope to have a response from
16 the Law Department after it's had an opportunity to
17 review the documents.

18 COUNCILMAN COHEN: Well, perhaps you
19 could help me. I cannot possibly conceive of any
20 documents which would not be confidential to the
21 Mayor but which would then be confidential to the
22 Council.

23 MS. WILKERSON: I think that there are
24 documents that are developed in connection with
25 labor negotiations that may be protected -- I don't

2 know for sure. I've sent them to the Law Department
3 to ask for guidance on that.

4 As you know. . . I don't have anything
5 to add to that.

6 COUNCILMAN COHEN: Well, we'll see. But
7 we're going to ask whether -- first when you're
8 going to furnish that document to us. Will it be by
9 the point end of the week?

10 MS. WILKERSON: It will be by the end of
11 the week.

12 COUNCILMAN COHEN: All right, if you
13 could do that, I would like to ask that it be sent
14 to my office by the end of the week so that it could
15 be examined, and included, I would like to know
16 whether or not it represents the total document or
17 whether any part of it has been kept back on a
18 confidential basis.

19 MS. WILKERSON: That's fine.

20 COUNCILMAN COHEN: And if so, what the
21 basis is.

22 MS. WILKERSON: That's fine.

23 COUNCILMAN COHEN: All right? Good.

24 Now, is that the same document -- this
25 is addressed to Miss Berkowitz -- that we were

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2 talking about at the last session that you last saw

3 in the possession of Mark Foley?

4 MS. BERKOWITZ: That is correct.

5 COUNCILMAN COHEN: That is correct. All

6 right. So I assume that contact was made with that

7 office, and as a result of that, that's where the

8 document came from, or was it found within the

9 possession of the City directly?

10 MS. WILKERSON: I believe it's from Mark

11 Foley's office. I haven't done an extensive check

12 of the City offices, but I think the document came

13 from Mark Foley.

14 COUNCILMAN COHEN: All right. I'd like

15 a statement as to its origin, you know, whether it

16 came from his office or whether it was yours when

17 it's included, when the material was sent in.

18 MS. WILKERSON: Fine.

19 COUNCILMAN COHEN: Councilman Nutter is

20 present at this hearing today and we welcome him,

21 even though he's here, even though Council is

22 officially in recess with respect to committee

23 hearings and Council meetings.

24 Let me ask one question on retirees.

25 What happens when a retiree whose policy may cover

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2 -- let's take a woman retiree who has a husband

3 who's covered by her insurance policy. What happens
4 when the retiree dies? Say a retiree retires one
5 day and a day after retirement, the retiree dies.
6 What happens to the insurance coverage for, in this
7 case, the widower? It could be the widow or the
8 widower.

9 Is that coverage maintained or does the
10 widower or widow immediately lose coverage upon the
11 death of the retiree?

12 MS. BERKOWITZ: I don't know the answer
13 to that, Councilman Cohen, but I would be happy to
14 get you information on that.

15 COUNCILMAN COHEN: Could you, because --

16 MS. BERKOWITZ: Absolutely.

17 COUNCILMAN COHEN: I confess that it's
18 the first time over the weekend that that thought
19 ever occurred to me about what a terrible position
20 it must be for a spouse, once the period of time the
21 City gives coverage to the retiree, once that period
22 lapses, or in the event of the death of the
23 retiree. And if the coverage is lost at once, it
24 seems to me to be a huge problem, but get me --
25 check out that information.

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2 MS. BERKOWITZ: I will certainly get you
3 the information on spousal coverage.

4 COUNCILMAN COHEN: Because we are
5 attempting in Council to make a detailed study of
6 the whole area of the earth with respect to health
7 insurance, 'cause it's the first time we've
8 undertaken such a study.

9 All right. Now, today's meeting was
10 intended to be very brief, just to cover this
11 material that was left over from the last material.
12 Though I'm going to be asked that the material be
13 presented by no later than the close of business
14 Friday to my office so that the staff can go to work
15 on it.

16 With respect to the other material, when
17 would it be expected that the committee would get
18 it?

19 MS. BERKOWITZ: Councilman, as I've
20 indicated, one of the problems that I am having is
21 locating some of the documents that you've asked
22 for. And what I have done is ask the City's
23 Personnel Department, as well as the Cities's Law
24 Department, to go through all of the documents that
25 they have pertaining to the City-administered health

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2 plan and to provide me with a list of all of the
3 documents available.

4 As I indicated, it's very difficult for
5 me because I don't know the universe of documents.
6 I do not have those chronologies as yet, although I
7 do know that the Law Department and Personnel are
8 working to locate all of the documents.

9 I believe that I can put information
10 together for you on the savings -- there was -- one
11 of the items that Council had requested was
12 documentation on the savings in health benefits
13 accruing to the City as a result of using an outside
14 consultant. I am attempting to put that together
15 for you from using historical documents.

16 Some of the other documents that you
17 asked for, I'm not sure that they exist. And as
18 both Miss Wilkerson and I have explained to the
19 committee, the documentation on the
20 City-administered health plan has been less than
21 satisfactory.

22 COUNCILMAN COHEN: Do you have any
23 additional documents at this time that you've not
24 furnished to the committee?

25 MS. BERKOWITZ: I do not.

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2 COUNCILMAN COHEN: Have you made up a
3 list of documents that you were asking for people to
4 look for?

5 MS. BERKOWITZ: Yes. I'm primarily
6 using the list of document requests from this
7 committee.

8 MS. WILKERSON: I mean, it's been
9 circulated, asking, you know, in order to develop a
10 more thorough chronology. We've done the initial
11 review of the Personnel Documents; those documents
12 have been provided to you. We've, you know, had
13 contact with Mr. Foley, you know, where there were
14 documents that we had reason to believe existed that
15 we didn't have, and those are the ones that I
16 commented on earlier. In order to make sure that
17 we're not missing documents, you know, there's this
18 request to develop a chronology and --

19 COUNCILMAN COHEN: Well, can I suggest
20 this, because I think there's got to be some way to
21 cut through this (indiscernible). I'm going to
22 recess this hearing until Tuesday, July the 10th, at
23 12 o'clock noon. I will expect at that time to
24 receive all of the documents covered by the letters
25 that have been sent to you by the committee. And

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2 with respect to what you don't produce at that time
3 that's covered by that letter, I will issue a
4 subpoena for its production so that we can proceed

5 to go further in our quest for the documentation.

6 MS. WILKERSON: That's fine.

7 COUNCILMAN COHEN: 'Cause otherwise, I

8 see no end to our knowing whether or not there is a

9 genuine effort being made to secure the material.

10 It seems to me that there had to have been a lot of

11 study made before the City took the positions it

12 took two years ago at the negotiating table. I

13 believe it's two years now -- time goes very fast,

14 it may be only one year.

15 MS. BERKOWITZ: It's a year.

16 COUNCILMAN COHEN: But I believe it's

17 two years, but it seems to me that the material

18 exists and that the effort has to be produced.

19 Councilman Nutter.

20 COUNCILMAN NUTTER: Thank you,

21 Mr. Chairman. Just one quick question.

22 Good afternoon, Miss Wilkerson. Good

23 afternoon, Miss Berkowitz.

24 Miss Berkowitz, I tried to recall the

25 tail-end of the statement that you made in response

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2 to a question Councilman Cohen asked a little while

3 ago, and maybe it was just an affirmative statement

4 on your part.

5 You said that the documentation on the

6 City-administered health plan has been less
7 than. . . ?
8 MS. BERKOWITZ: Adequate.
9 COUNCILMAN NUTTER: I didn't catch the
10 tail-end.
11 MS. BERKOWITZ: Adequate.
12 COUNCILMAN NUTTER: Adequate? What does
13 that mean?
14 MS. BERKOWITZ: What that means is that
15 -- we've been testifying to that effect that it has
16 been arduous gathering all of the information that
17 this committee has requested.
18 COUNCILMAN NUTTER: But what is your
19 statement have to --
20 MS. BERKOWITZ: That's --
21 COUNCILMAN NUTTER: I understand that
22 the request may be voluminous but --
23 MS. BERKOWITZ: No, the request is --
24 COUNCILMAN NUTTER: Your statement was
25 that the documentation on the City-administered

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2 health plan has been less than adequate.
3 MS. BERKOWITZ: Some of it may not
4 exist. Some of does not exist in an organized
5 fashion.

6 COUNCILMAN NUTTER: Some of what?
7 MS. BERKOWITZ: The documentation that's
8 been requested.
9 COUNCILMAN NUTTER: All right. Now,
10 when you talk about the City-administered health
11 plan, you're talking about the plan that everyone
12 who's not in the union is in?
13 MS. BERKOWITZ: That's correct, that's
14 correct.
15 COUNCILMAN NUTTER: How could the
16 documentation not exist or be less than adequate?
17 How is that possible?
18 MS. BERKOWITZ: Well, I didn't say no
19 documentation exists. If you look at the requests
20 articulated by Councilman Cohen in his June 4th
21 letter to Miss Wilkerson, there were very specific
22 requests for information. I believe that we have
23 provided Council with most of that, but it was very
24 difficult to do that because it was not -- it did
25 not exist in any organized fashion. And so we had

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2 to put it together incrementally.
3 Some of the requests that we have not
4 yet responded to may in fact not exist in the way of
5 actual documentation, such as some of the analyses
6 that have been requested.

7 COUNCILMAN NUTTER: Well, just so I
8 understand, you're saying that analyses may have
9 taken place at some point in time about various
10 proposals, but that the -- either the underlying
11 assumptions that led to whatever the proposal was or
12 the decision-making may not presently exist but may
13 have existed at that time and subsequently no longer
14 exists. Is that --

15 MS. BERKOWITZ: I am saying it may have
16 not existed or it may have existed and folks can't
17 find it.

18 COUNCILMAN NUTTER: I mean, wouldn't you
19 want to hold on to some of that material just for
20 both in constitutional memory and -- I mean, if
21 something was a good idea at one time, you might
22 think it's an even better idea based on further
23 research history or whatever. I mean, if you tried
24 to come back to the same idea, wouldn't you want to
25 have the previous information that made you think it

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2 was a good idea in the first place?

3 MS. BERKOWITZ: I would.

4 COUNCILMAN NUTTER: Okay, all right.

5 Thank you.

6 COUNCILMAN COHEN: Does the City have a

7 shredder?

8 MS. BERKOWITZ: Councilman, I'm going to
9 say this as diplomatically as I know how. I wish I
10 could say that I thought that there was enough
11 thoughtfulness behind some of this that somebody
12 might have actually contemplated shredding things,
13 but I don't believe anything has been shredded.

14 COUNCILMAN COHEN: The Chair recognizes
15 Miss Bricklin.

16 MS. BRICKLIN: For the record, it's
17 Shoshana Bricklin. I work on the technical staff
18 for City Council.

19 Miss Berkowitz, you indicated that you
20 were having the Law Department put together a list
21 of every document or all of the material that
22 pertains to the City-administered health plan; is
23 that correct?

24 MS. BERKOWITZ: No, that it has within
25 its own files, but it does not have everything.

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2 MS. BRICKLIN: Well, would it be
3 possible, as you were going through, for you to ask
4 specifically what we requested to also have that
5 list of what exactly they have, because perhaps my
6 question -- my sense is that if you do not -- if the
7 City does not have the analysis in the form that we

8 want, they may have the underlying documents from
9 which we could make an independent evaluation.

10 So we'd like to see your analysis but it
11 would be good to see the list of the documents that
12 are in the Law Department's hands in terms of the
13 City-administered health plan.

14 MS. BERKOWITZ: I would have to discuss
15 that with the Law Department in term of what's in
16 its own files.

17 I will be happy to share with the
18 committee the list of documents that I received from
19 the Personnel Department, which should have a much
20 more comprehensive file on all documents pertaining
21 to the City-administered health plan since the
22 Personnel Department is the benefits administrator.

23 COUNCILMAN COHEN: I'm going to ask for
24 a momentary recess.

25 (Short recess taken.)

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2 - - -
3 (Proceedings resume.)

4 COUNCILMAN COHEN: I don't have in front
5 of me the requests that appeared under my signature
6 addressed to you, but the intent was not limited to
7 the Personnel Department; the intent is whatever

8 exists anywhere under the jurisdiction of the
9 Mayor's Office, because we don't know how the
10 functions and duties may be assigned.

11 So please interpret the request for
12 production of documents not to be limited to the
13 Personnel Department. It never once occurred to me
14 that anybody would so construe it. We want
15 everything in the possession of the City, and "the
16 City" in this case means anything under the
17 jurisdiction of the Mayor or any of the departments
18 also under the jurisdiction of any department where
19 the Mayor has any influence.

20 MS. WILKERSON: All right.

21 COUNCILMAN COHEN: That's what we're
22 seeking, not just a narrow listing where something
23 happened to be filed or initiated.

24 If there was a study, for example, in
25 the Managing Director's department, we want that

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2 material. We want anything pertaining to the broad
3 range of the health aspects that the City deals with
4 in its representation of exempt employees.

5 MS. WILKERSON: All right.

6 COUNCILMAN COHEN: Is that clear?

7 MS. WILKERSON: That's clear.

8 COUNCILMAN COHEN: It never once

9 occurred to me that anybody was limiting it to any
10 one department. That's the reason we deal with it
11 as a City-administered plan; it involves all of the
12 departments.

13 MS. BERKOWITZ: And I did not mean to
14 imply that we were limiting it; we were not.

15 COUNCILMAN COHEN: And if there exists
16 any documents outside of the Personnel Department,
17 whether it's in the Law Department and thought to be
18 confidential for whatever reason or any other
19 reason, we would want to know that it exists and why
20 it's not being made available.

21 Now, please interpret everything in that
22 respect because that's how the subpoena's going to
23 be -- is going to be that inclusive. And this
24 committee would like to proceed if possible without
25 the use of the subpoena because once we get involved

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2 with a subpoena, we run into the problem of having
3 to swear in witnesses with respect to the production
4 under the subpoenas. We would rather maintain the
5 less formal procedure if it's possible so to do.
6 Is there any other question from any
7 staff member or member of Council? Councilman
8 Nutter?

9 If not, this committee will stand in
10 recess until Tuesday, July the 10th -- what's that?
11 Are any of the witnesses here -- is there anything
12 they wish to say? Come forward. Is it Mr. Lamb?
13 Mr. Goldberger, would you come forward.
14 (Witness comes forward.)
15 MR. GOLDBERGER: My name is Joseph
16 Goldberger, a retired City employee.
17 And my question has to do with
18 specifically retired City employees who are not
19 represented by anyone as well as present City
20 employees who are in prohibited classes.
21 In January of the year 2002, a new
22 health package will go into effect, and my questions
23 concern that new health package. Who is presently
24 working on the package which has been promised to us
25 in the fall of this year for our consideration?

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2 What possibility is there that City Council can
3 cooperate fully at this time with whoever it is
4 that's doing the negotiating so that we can prevent
5 what has happened in the past?
6 I think it's extremely important to look
7 at what happened in the past, but I think it is
8 probably more important at this time to talk about
9 what is imminent. And let's not repeat what

10 happened in January of this year -- in December of
11 this year when we were handed a package -- accept or
12 don't accept -- and we lost our drug benefits.

13 I would like to see City Council fully
14 participate in that, and I personally would like to
15 see retired and other employees involved either by
16 questionnaire or by committee or by whatever means.
17 We should not be left out this time or we will again
18 have again the same problem that we presently have
19 -- only it will be a year later.

20 Thank you.

21 COUNCILMAN COHEN: All right, thank you.

22 Councilman Nutter, were you raising your
23 hand? If not, I was going to suggest that that will
24 be included as part of the subject on July the 10th
25 at noon. We will want to, I think, discuss it among

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2 committee members.

3 COUNCILMAN NUTTER: Mr. Chairman, I did
4 have --

5 COUNCILMAN COHEN: Councilman Nutter.

6 COUNCILMAN NUTTER: I'm sure this issue
7 came up at the first hearing on this particular
8 subject matter or maybe at another hearing, but my
9 memory is failing me.

10 COUNCILMAN COHEN: That's because of age
11 probably.

12 (Laughter.)

13 COUNCILMAN NUTTER: It probably is,
14 Councilman.

15 COUNCILMAN COHEN: I've waited many
16 years to be able to have that opportunity.

17 COUNCILMAN NUTTER: Thank you so much.
18 Nothing like coming in for a hearing and being
19 abused by the chairman in the middle of the summer.

20 Who actually -- I mean, this will sound
21 like a bizarre statement, but who represents the
22 non-represented employees? I mean, who determines
23 or figures out for that group of people what their
24 benefits are or what the package is and what the
25 composition of the package is? We went through, I

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2 think, some of this --

3 COUNCILMAN COHEN: The Mayor.

4 COUNCILMAN NUTTER: -- at the earlier
5 stages of these hearings or some other hearings.

6 COUNCILMAN COHEN: The Mayor and his
7 office. Generally we've been told it's the Mayor
8 working through the Personnel Director. We don't
9 know whether there is any form of negotiations or
10 whether it's just an RFP that's put out. We don't

11 know what happens once it's put out. We have not
12 been able to find anybody at the mayoral level or at
13 the City Council level that's ever participated in
14 anything that I could reasonably call negotiations.
15 There doesn't seem to be any negotiating.

16 COUNCILMAN NUTTER: Well, I mean, what's
17 the basis of deciding what we get or what we pay
18 versus -- I mean, all of the other represented folks
19 have people who -- I mean, they take it as a part of
20 their obligation to try to get the best possible
21 package for what is, I think -- what is it, 80 to 90
22 percent of the public employee workforce. And then
23 there's, I mean, this other group. And I understand
24 that by our choice, we are generally not,
25 quote/unquote, represented, but it seems to me that,

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2 I mean, someone should say to the companies and for
3 this other group of people, we want to have X
4 package and that there's been some level of
5 discussion with us about what the options are or
6 what the proposals are or what's on the table and
7 what's not on the table, and you have some exchange
8 for feedback.

9 COUNCILMAN COHEN: So far as I've been
10 able to determine in the yearlong course of these

11 hearings, there has never been an opportunity for
12 the retirees to participate, nor has there been any
13 opportunity for any current group of employees,
14 including City Council, in any form to participate
15 in making any final decision or even in being
16 informed of the proposals.

17 The only people that have been involved
18 in decision-making that I've been able to find are
19 the Mayor -- one mayor is alleged to have said, okay
20 to a certain percentage or a substantial or
21 significant percent has to be given to more than one
22 company, something like that. And then somehow or
23 other magically, two companies got business that
24 year and for some years to follow. When the Mayor
25 said that's no longer required, I understand there

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2 were different mayors. Then it went all into one
3 company, particularly when it was pointed out that
4 the savings to the City would be considerable if one
5 company was used. That was what resulted, as I
6 understand, it in the choice this last year of going
7 to one company only. That's the first year that
8 I've known that health benefits go to one company.
9 But no one from City Council --
10 President Verna has informed me that she's never
11 participated. The staff member said that nothing

12 was ever put before a committee for consideration.

13 COUNCILMAN NUTTER: Okay.

14 COUNCILMAN COHEN: So that the question
15 the retiree raised has full application to City
16 Council as well as to retirees or any other group
17 that are covered.

18 MR. GOLDBERGER: Councilman, I think
19 there's a great danger in using as a precedent that
20 there is this terrific saving by using one company.
21 I would suggest to you that the evidence, as
22 presented by District Council 47, is that their drug
23 program, which utilizes a separate drug company or a
24 drug maintenance organization, seems to work out a
25 lot better for them. And I would like to see

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2 something like that for the non-represented group.

3 That would mean that it would not be
4 Blue Cross. I don't think personally that Blue
5 Cross's drug selection programs, as represented at
6 least in my case, are an adequate program. I mean,
7 I can give some evidence of what's been happening to
8 me utilizing their Plan H.

9 COUNCILMAN COHEN: You say that Blue
10 Cross coverage is your drug program?

11 MR. GOLDBERGER: I have Plan H Medigap

12 supplement to Medicare, and I do not conceive of
13 that plan as being very adequate. I have had
14 continuing problems with that plan and --

15 COUNCILMAN COHEN: No, I'm asking the
16 question, who administers that drug plan?

17 MR. GOLDBERGER: It's administered by a
18 pharmaceutical administration company hired by Blue
19 Cross. I think it's Merk-something. I don't know
20 the full name of the Merk organization.

21 COUNCILMAN COHEN: And in the exempt,
22 the company is Rite Aid, which hires a subsidiary to
23 manage its program. There may be differences which,
24 I assume, should be taken into account by anybody
25 doing the negotiating to arrive at the best plan.

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2 MR. GOLDBERGER: Right.

3 COUNCILMAN COHEN: For each segment of
4 employees.

5 MR. GOLDBERGER: That's a most important
6 aspect of finding an adequate drug program. Maybe
7 we can't all have our best wishes, but at least
8 let's look at some of these alternatives and not be
9 bound by precedents. I don't know where the
10 precedent came from that it's better to have only
11 Blue Cross that we're dealing with. I don't think
12 that's necessarily factual in terms of the results.

13 COUNCILMAN COHEN: What's your thought,
14 Councilman Nutter?

15 COUNCILMAN NUTTER: Oh, I can't share
16 them on the record, Councilman. It would be
17 completely inappropriate at the moment.

18 COUNCILMAN COHEN: I think
19 Mr. Goldberger probably speaks far beyond just the
20 retirees. I think we're all desperately seeking for
21 what seems to be a sensible way of informing
22 different groups that are affected by health plans
23 and drug plans, we're seeking a way for them to
24 participate in the decision-making and arriving at
25 the plan most efficient, most productive, and most

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2 economical all wrapped up in one package, whether it
3 involves one company or a series of companies, but
4 we think that the method that's been used in the
5 past is totally inadequate.

6 COUNCILMAN NUTTER: Councilman, I do
7 actually have one question.

8 COUNCILMAN COHEN: Go ahead, Councilman.

9 COUNCILMAN NUTTER: I need to ask Miss
10 Berkowitz from the City Administration a question.

11 (Miss Berkowitz returns to witness
12 table.)

13 COUNCILMAN COHEN: Miss Berkowitz?
14 COUNCILMAN NUTTER: Hi. Thank you for
15 coming back up.
16 Miss Berkowitz, based on the
17 conversation that we've kind of have been having
18 here at the table, what is your knowledge with
19 regard to the review, or some would call it
20 "negotiation," with regards to the non-represented
21 or retiree population with regard to health
22 benefits. What do you know about that?
23 MS. BERKOWITZ: Linda Berkowitz again.
24 Councilman Nutter, that is one --
25 because I have very limited knowledge, as I

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2 explained over the course of the last couple of
3 weeks, the whole arena of the City-administered
4 health plan is very new to me. And one of the
5 things that I have been asked to do over the course
6 of the next several months was to review all aspects
7 of the is City-administered plan, including the
8 process by which we negotiate and select coverage,
9 rates, providers for -- and it's the non-represented
10 employees that are included under the City-
11 administered plan.
12 COUNCILMAN NUTTER: I understand that.
13 And is it a part of -- I have not seen what's been

14 referred, I believe, as the June 4th letter from the
15 Councilman, I have not seen that.

16 Is one of the requests for information a
17 laying out of the process in a timeline for how and
18 when different things happen related to the
19 City-administered plan from whenever the -- what do
20 they call it at the end of the year, the
21 open-enrollment period? If you kind of took that as
22 either the end or the beginning of the process from
23 there in the November-December time period, what
24 happens in the course of the next year going
25 forward?

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2 Could you -- I know you're trying to get
3 up to speed very quickly, although I know you to be
4 a very quick study. Could you, as a part of the
5 July 10th hearing, lay out for us or be in a
6 position to lay out for us in memo form just once
7 open enrollment closes, so take us back to December
8 -- I believe December 31st, 2000 and lay out for us
9 what has happened since that time up to when you get
10 here July 10th and what will happen July 10th going
11 forward in terms of meetings, discussions,
12 negotiations, documents going back and forth and how
13 the City arrives at whatever the agreed-to price and

14 scope of services for these non-represented and/or
15 retiree populations and what is all involved in
16 that.

17 MS. BERKOWITZ: I will do my best to put
18 that chronology together for you.

19 COUNCILMAN NUTTER: Okay, thank you.
20 Including who actually talks to whom.

21 MS. BERKOWITZ: Yes, mm-hmm.

22 COUNCILMAN NUTTER: Thank you.

23 COUNCILMAN COHEN: All right.

24 Mr. Goldberger, I think that will be the beginning
25 of the process you're talking about.

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2 MR. GOLDBERGER: It's the beginning of
3 the process; I hope it is not too late. It does
4 take a while to do the negotiating and to put things
5 together, and if the letter we received from the
6 Pension Board, which says we will receive our
7 options in the fall, not November or December but in
8 the fall of this year, I think the time period is
9 getting shorter, shorter, and shorter.

10 COUNCILMAN COHEN: Mr. Goldberger, I
11 don't believe our staff has a copy of the letter
12 you're referring to, so I'd appreciate it if you
13 would make a copy of that letter available to Miss
14 Bricklin for our records.

15 MR. GOLDBERGER: Sure.

16 COUNCILMAN COHEN: Because we don't
17 remember seeing any such letter.

18 MR. GOLDBERGER: Okay, I'll be happy to
19 do that.

20 COUNCILMAN NUTTER: Mr. Chairman, just
21 so the witness is clear on my comments, or I'll give
22 you the background for why I said what I said. For
23 all intents and purposes at least around here, the
24 first notification that we get, we in the City
25 Council -- I'm not sure what happens again with the

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2 retirees. We usually get a letter from the
3 Personnel person out of the Council President's
4 office dated anywhere from December 1st, I think, to
5 as late as one year, maybe December 11th or December
6 18th, telling us, along with a little red booklet or
7 something, that open enrollment is now open and will
8 be closing usually in about two weeks.

9 That is from my standpoint, from my
10 experience -- I don't know if Councilman Cohen's is
11 the same. That's when we basically get our
12 notification, make a decision, and the end of the
13 process all takes place over about a three-week
14 period of time.

15 MR. GOLDBERGER: Same thing for retired
16 people, identical.
17 COUNCILMAN NUTTER: Okay, all right.
18 COUNCILMAN COHEN: But by that time, the
19 options have already been decided on.
20 COUNCILMAN NUTTER: Yeah. Well, I think
21 that takes place probably more in the summer into
22 the fall on the City's side, and then we get, a
23 couple months later, all of the information. I
24 assume that that's how that takes place.
25 COUNCILMAN COHEN: And I understand that

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2 technically, the Ad. Board, the administrative board
3 consisting, I think, of the Finance Director, the
4 City Solicitor or the Mayor is -- no?
5 MS. BERKOWITZ: The Mayor, the Managing
6 Director, and the Finance Director.
7 COUNCILMAN COHEN: The Mayor, Managing
8 Director, and Finance Director make the decision in
9 accordance with what's conceived to be a provision
10 of the Home Rule Charter so that no groups are
11 involved in the process. All we're involved in is
12 labor individually choosing which of the options are
13 being provided by the Ad. Board.
14 COUNCILMAN NUTTER: Right.
15 COUNCILMAN COHEN: And I think -- and

16 I'm not sure that the decision that the Ad. Board
17 acts in an unlimited and uncontrolled basis is
18 accurate, but that's the way it's been.

19 And I think Councilman Nutter's
20 suggestion for a statement by Miss Berkowitz in the
21 whole process on July 10th is very much in order,
22 and I think that will be in time to affect what may
23 happen in the future.

24 We thank everybody for attending today,
25 and the session's in recess until Tuesday, July

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2 10th, at 12 noon -- with the understanding, of
3 course, that the documentation concerning that
4 material that purports to show the savings of
5 unification of the health plan will be presented to
6 the staff -- Miss Bricklin, Mr. Shapiro of the
7 staff, Council technical staff, by the end of this
8 week.

9 Thank you and I thank everybody for
10 attending. Thank you, Councilman Nutter.

11 (Adjourned 1:00 p.m.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Monday, June 19, 2001, were reported
fully and accurately by me, and that this is a
correct transcript of same.

RE: COUNCIL COMMITTEE ON LAW AND GOVERNMENT
RES. NO. 000426

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JOSEPHINE CARDILLO,

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Registered Professional Reporter

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