



Department of Employee Relations

June 24, 2014

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Deborah Ford
Labor Negotiator

Alderman Nik Kovac, Chairman
City of Milwaukee Common Council Finance and Personnel Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

**File No: 140208 authorizing health and prescription drug benefit
design changes for active and retired members in 2015, follow-up**

Dear Alderman Kovac and Finance Committee Members:

The City of Milwaukee provides health benefits and prescription drug benefits to all active and retired employees. In order to support employees who are making good decisions about their health and in order to control the growing cost of health benefits, the Department of Employee Relations (DER) is recommending changes in the benefit design in 2015. Following the Finance and Personnel Committee there were questions raised that I wanted to respond to.

Comments regarding the urgency of the request: The DER has indicated that without the changes the budget request for 2015 could increase from \$120M to \$124M. In order to communicate any changes to employee and retiree groups with open enrollment materials in September, as well as with face to face meetings prior to that, the approval by the Finance and Personnel Committee and the full Common Council is needed.

Comments regarding different premium rates for those employees who live within the City limits and those employees who do not: The likely conclusion will be that such a proposal is permitted under federal law, but raises questions under the state law provision requiring that a plan be "offered" to all employees. This is not an opinion from the City Attorney. If the Alderman wishes a formal opinion could be requested from the City Attorney. As indicated above DER would recommend the proposed changes be approved as recommended and any additional changes approved by the Common Council at a later date could be added to the benefit design at that time.

Comments regarding UHC Tier 1 Premium providers accepting new patients and the availability of providers in Milwaukee to accommodate this change: in order to respond to this request, I used the www.myuhc.com site to determine how many family practice providers were within 10 miles and 5 miles of zip code 53218.

- Total family practice providers within 10 miles of 53218: 350
- 180 of 350 earn Tier 1 designation; 152 of 180 (84.1%) are accepting new patients
- Total family practice providers within 5 miles of 53218: 97
- 49 of 97 earned Tier 1; 48 of 49 (98.1%) accepting new patients

UHC ran a cross section of Milwaukee zip codes and 46% of primary care providers are in Tier 1 Premium Providers, while 80% of Tier 1 providers are accepting new patients. A detailed three page summary of the Tier 1 Premium Designation program is attached. Additional detailed information is available on the



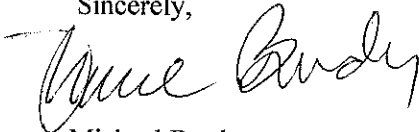
website, www.myuhc.com where you can specify a specific area, the number of miles from that area, whether the providers accepts new patients or not, what type of provider you are looking for, whether the provider is male or female, and so on.

Response to comments on cost sharing: while there was a reference to “cost sharing” regarding the proposed changes, the proposed changes offer members an opportunity to avoid costs through use of the Wellness Program, Healthy Rewards, through utilization of Tier 1 Premium providers, through use of a new on-site Nurse Practitioner through the Wellness program, through UHC Disease and Case Management programs and through the Affordable Care Act changes that provide preventive visits at no cost to the member.

Response to the June 17, 2014 Milwaukee Retiree Association letter: the 2012 changes did help control rising health care costs – costs in 2014 are projected to be \$118M and could have been as high as \$168M if the changes were not made. The UHC Tiered Provider Program offers members an opportunity to identify those providers who have measured outcomes that are superior, that provide higher quality benefits and that provide a more cost competitive health benefits. DER believes it is important to educate all members about these providers when selecting their providers. DER believes the 20% co-insurance for prescription drugs with a minimum of \$4 and maximum of \$75 is responsible and fair to all members, and this change continues to encourage employees to consider lower cost quality medications that their providers prescribe. ESI estimated that just under 50% of all drug claims would go from \$5 co-pay to a \$4 co-insurance for members.

Please contact me if you have any additional questions or comments. This office appreciates your efforts to schedule this file for the special meeting on June 30, 2014.

Sincerely,



Michael Brady,
Employee Benefits

CC: Alderman Joe Davis
Alderman Jim Bohl
Maria Monteagudo, DER
Deborah Ford, Labor
Renee Joos, DER
Ellen Tangen, City Attorney's Office
Mary Turk, LRB
Dennis Yaccarino, Budget Office



UnitedHealth Premium® Designation Program

Not all health care is equal, and that can affect the care you receive. According to a study in The New England Journal of Medicine, "adults receive the recommended medical treatment only 55 percent of the time."¹ That's why UnitedHealthcare developed the UnitedHealth Premium® designation program, which recognizes physicians that meet guidelines for providing quality and cost efficient care.

The program uses national industry standards to evaluate for quality and local market benchmarks for cost efficiency across 25 specialties,² including family practice, internal medicine, pediatrics, cardiology and orthopaedics.

No two doctors are alike, and you probably think about many factors when choosing a physician. We offer tools and information to help you make more confident health care decisions. When you're looking for a doctor, you can consider his or her Premium designation when making your choice.

Physician designation results are displayed publicly on myuhc.com® and in UnitedHealthcare's physician directories. Doctors who have met the criteria for quality and/or cost efficiency could have one of these four UnitedHealth Premium designations:

- Quality & Cost Efficiency
- Cost Efficiency & Not Enough Data to Assess Quality
- Quality & Not Enough Data to Assess Cost Efficiency
- Quality & Did Not Meet Cost Efficiency

Other possible designations include:

- Not Enough Data to Assess Quality & Did Not Meet Cost Efficiency
- Not Enough Data to Assess
- Not Evaluated
- Did Not Meet Quality & Cost Efficiency

The fact that a doctor does not have a quality designation does not mean that the doctor does not provide quality health services. All doctors who are part of the UnitedHealthcare network must meet our standard credentialing requirements (separate from the Premium program).

The assessment result "Not Enough Data to Assess" is not an indicator of the total number of patients treated by the doctor or the number of procedures performed by the doctor. Rather, it reflects the statistical requirements of the program.

UnitedHealth Premium Tier 1

Many employers offer health plans that provide benefit incentives for members to obtain care from select network providers that have been recognized for providing quality, cost-efficient care.

Members in health plans that offer tiered benefits may pay lower co-pays and co-insurance amounts for services provided by **UnitedHealth Premium Tier 1** physicians.

UnitedHealth Premium Tier 1 physicians have received one of the following Premium designations:

- Quality & Cost Efficiency
- Cost Efficiency & Not Enough Data to Assess Quality



Look for the UnitedHealth Premium Tier 1 symbol to quickly and easily find doctors who have been recognized for providing value.

First Name Last Name

Primary Care Physician

Specialties:

Internal Medicine, Pediatrics

[More about this provider](#)

☐ Compare with other providers

☐ Add to List

✓ In Network



UnitedHealth Premium Tier 1

Estimated Distance: 0.6 miles

128 HOSPITAL DR,
WATERTOWN, WI 53098-3304
920-262-4825

[Map](#) | [1 Additional Location](#) | [Add Contact](#) | [Text Me](#)

[Report Invalid Info](#)

For more information on the UnitedHealth Premium program, visit UnitedHealthPremium.com.

For details on the methodology we use to evaluate physicians, [click here](#).³

If you would like to provide feedback on the program, please send an email to PremiumProgram@uhc.com.

[Why is quality care important?](#)

[What does Dr. Oz think?](#)

Important Notes about the Program

Premium designations are a guide

The UnitedHealth Premium® designation program is a resource for informational purposes only. Designations are displayed in UnitedHealthcare online physician directories at myuhc.com®. You should always visit myuhc.com for the most current information.

Premium designations are a guide to choosing a physician and may be used as one of many factors you consider when choosing a physician. If you already have a physician, you may also wish to confer with him or her for advice on selecting other physicians. Physician evaluations have a risk of error and should not be the sole basis for selecting a physician. Please visit myuhc.com for detailed program information and methodologies.

Only individual physicians that meet UnitedHealth Premium designation criteria, or physicians in designated specialties who are part of medical groups that meet UnitedHealth Premium criteria for group practices and who have sufficient claims data for analysis, may be designated. All physicians that contract with UnitedHealthcare have met credentialing requirements. Regardless of designation, plan enrollees have access to

physicians in the UnitedHealthcare network as described in their benefit plan. Specialties for which there are no quality guidelines currently established in the program are excluded from evaluation and are noted as such.

The assessment result "Not Enough Data to Assess" is not an indicator of the total number of patients treated by the physician or the number of procedures performed by the physician. Rather, it reflects the statistical requirements of the Premium designation program, which includes only health plan claims associated with specific program measures and relevant to the physician's designated specialty. In some cases, there may not be enough data to complete the analytic process from a statistical standpoint.

¹ Asch, Steven M. et al. The New England Journal of Medicine. 2006 March 16; 354: 1147-1156.