

August 27, 2013

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

File No: 130459 Communication regarding 2014 health benefit rates for actives and retirees

Dear Alderman Murphy and Finance Committee Members:

The Common Council Finance and Personnel Committee approved file #130265 which directed the Department of Employee Relations to report back with a communication regarding 2014 health benefit rates for actives and retirees.

File #130265 approved the process for determining the rate for both plans offered by the City of Milwaukee, the UHC Choice and the UHC Choice Plus. Willis of Wisconsin, the City's actuary, has provided the rates based on past utilization, experience and future projections of health and prescription drug costs. In 2014 the City will not be offering separate plans to the Milwaukee Police Association, based on action by the State. In 2014 the City will be paying 88% of the low cost plan for most employee groups.

- **UHC Choice** with benefit designs that include deductible and co-insurance
- **UHC Choice Plus** with benefit designs that include deductible and co-insurance

The City's actuary, Willis of Wisconsin, has provided the 2014 health benefit rates for each of the four tiers for actives based on utilization and experience:

- Employee only, Employee with spouse only, Employee with child only, and Employee with spouse child.

The current benefit designs were established for 2012 to encourage employees to be smart consumers of health care. The ongoing comprehensive "Wellness Your Choice Milwaukee" program is having an impact on the cost to employees and the City. The 2014 rates reflect the improved health status and the steps that employees have taken to control and reduce their health care utilization.

Please let me know if you have any additional questions or comments regarding the 2013 health insurance rate equivalents for active employees.

Attached to this letter are the projected 2014 health benefit rates for employees and retirees.

Sincerely,

Michael Brady,
Employee Benefits

CC: Maria Monteagudo, DER
Debra Ford, Labor
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Mary Turk, LRB
Dennis Yaccarino, Budget Office
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