

July 14, 2015

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

**File No: 150302 authorizing a Process to communicate
2016 health benefit rates to active and retired employees**

Dear Alderman Kovac and Finance Committee Members:

Note Well: This letter has been updated to reflect the mandate of the State of Wisconsin in their biennial budget relative to requiring the City of Milwaukee to provide a “High Deductible Health plan” using a City of Milwaukee design structure, not one identical to the State of Wisconsin.

The City of Milwaukee Department of Employee Relations (DER) offers health benefits and prescription drug benefits to all active and retired employees. The City has a contract with Willis to provide actuarial services including rate projections for active and retired members for each of the plans offered.

The City will be communicating information regarding open enrollment and 2016 rates on the City web site for active members by October 1, 2015 and will post and send open enrollment materials to retired members in October 2015.

Willis will use the utilization and experience data provided by UHC, OptumRx and ExpressScripts through August 2015 to develop rate projections for 2016 for active and retired members. The rates will be on the DER web site by October 1, 2015 and mailed to retired members. This process will allow the City to provide more accurate rates for 2016, including the City share and the member’s share of the total premium equivalent, by using utilization data through the end of August 2015.

Willis will prepare rate projections for active members for four tiers for the current UHC Choice plan and for a new UHC Choice High Deductible Health Plan that is cost neutral to the City, as mandated by the state, based on current utilization experience. The City will not offer the UHC Choice Plus plan to active members. Willis will prepare rate projections for retired members under 65 and over 65 with Medicare for two health plans, the current UHC Choice plan and the current UHC Choice Plus plan based on their current utilization experience.

This resolution allows the Department of Employee Relations to communicate those rates on the City DER web site as of October 1, 2015 to active members, prior to open enrollment; and to mail the rates for retired members in October, 2015. The Department of Employee recommends approval of this resolution. DER will share the total rates and employee premium share in a Communication File at the September 16, 2015 Finance and Personnel Committee meeting.

Please contact me if you have any additional comments or questions regarding this file.

Sincerely,

Michael Brady,
Employee Benefits

CC: Maria Montegudo, DER
Deborah Ford, Labor
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