

June 1, 2012

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

File No: 120223, Communication regarding 2013 Health and Dental Benefits

Dear Alderman Murphy and Finance Committee Members:

The Department of Employee Relations (DER) requests an opportunity to provide an update to the Finance and Personnel Committee at the June 27, 2012 meeting regarding the 2012 Health and Dental benefits for employees and retirees.

The City is in the first year of a three-year contract with UHC for health and with Medco for prescription benefit costs. Both plans are self funded. The City will report to Finance and Personnel in September with the projected 2013 costs for the plans. This will allow the City to obtain claims data through August before asking the actuary at Willis to project the 2013 costs. In the past when the City had an "insured" HMO, DER would share the actual costs in July. DER is asking for the additional time since this is the first year of the self-funded EPO and PPO plans. This will allow the 2013 projected costs to be more accurate.

The City is in the second year of a three year contract with the three dental plans. I will prepare an attachment for this communication with the actual rates for the dental plans for 2012.

DER will continue to work with the Milwaukee Retiree Association to investigate the best option for City of Milwaukee Medicare retirees. There is a possibility that the City could offer a UHC Medicare Advantage plan that would have a significantly lower monthly premium than the UHC Choice and UHC Choice Plus plans currently offered to Medicare retirees.

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

Sincerely,

Michael Brady
Employee Benefits

CC: Maria Monteagudo, DER
Troy Hamblin, DER
Renee Joos, DER
Ellen Tangen, City Attorney's Office