



Insurance | Risk Management | Consulting

Renewal Projection

City of Milwaukee

1/1/2023 through 12/31/2023

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City of Milwaukee Renewal Projection - Overall

Projection Period - 1/1/2023 through 12/31/2023

Category	Medical		Prescription Drug		Total	
	8/1/20 through 7/31/21	8/1/21 through 7/31/22	8/1/20 through 7/31/21	8/1/21 through 7/31/22	8/1/20 through 7/31/21	8/1/21 through 7/31/22
Gross Paid Claims	\$105,644,110	\$107,212,933	\$38,317,816	\$41,832,594	\$143,961,927	\$149,045,528
Rx Rebates	\$0	\$0	(\$8,777,679)	(\$9,216,563)	(\$8,777,679)	(\$9,216,563)
Claim Adjustment	\$0	(\$5,579,998)	\$0	\$0	\$0	(\$5,579,998)
Total Net Paid Claims	\$105,644,110	\$101,632,935	\$29,540,137	\$32,616,031	\$135,184,247	\$134,248,966
Experience Period Lives	106,933	101,843	106,510	101,454		
PEPM Claim Cost	\$987.95	\$997.94	\$277.35	\$321.49	\$1,265.29	\$1,319.42
Group Specific Trend	4.1%	4.1%	7.0%	7.0%	4.7%	4.8%
Trend Months	29.0	17.0	29.0	17.0	29.0	17.0
Trend Factor	1.1020	1.0586	1.1776	1.1006	1.1186	1.0688
Trended PEPM Claim Cost	\$1,088.69	\$1,056.39	\$326.61	\$353.83	\$1,415.31	\$1,410.22
Dependent Ratio Adjustment	-0.37%	-0.17%	-0.35%	-0.15%		
Large Claimant Adjustment	\$0.00	\$0.00	N/A	N/A	\$0.00	\$0.00
Adjusted Claim Cost - PEPM	\$1,084.68	\$1,054.63	\$325.47	\$353.29	\$1,410.15	\$1,407.92
Period Weighting	40%	60%	40%	60%	40%	60%
Blended Claim Cost - PEPM	\$1,066.65		\$342.16		\$1,408.81	
Projected Lives	8,294		8,294		8,294	
Months to Project	12		12		12	
Total Projected Claims	\$106,161,685		\$34,054,528		\$140,216,213	
Administration Fees			\$4,453,726			
EGWP (PEPM)			\$159,996			
GBS Fees			\$125,000			
Additional Fees			\$185,034			
Total Projected Administration Fees			\$4,923,756			
Total Projected Healthcare Reform Fees			\$43,950			
Total Projected Gross Plan Costs			\$145,183,919			
Current Funding/Premium			\$137,446,572			
Projected Funding/Premium Increase			\$7,737,347			
Needed Rate Adjustment			5.6%			

*Group Specific Medical Trend is based on data from January 2018 through July 2022 and utilized per The City of Milwaukee's direction

*7% Rx trend was recommended based on the PBM RFP results

*Group Specific Trend would change if the mix between Actives, Early Retirees, and Medicare Retirees were to change

*\$3M of claims experience was removed per The City of Milwaukee's direction to account for expected improved large claimant activity

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City of Milwaukee

Renewal Projection - Actives

Projection Period - 1/1/2023 through 12/31/2023

Category	Medical		Prescription Drug		Total	
	8/1/20 through 7/31/21	8/1/21 through 7/31/22	8/1/20 through 7/31/21	8/1/21 through 7/31/22	8/1/20 through 7/31/21	8/1/21 through 7/31/22
Gross Paid Claims	\$72,855,906	\$76,336,106	\$17,783,457	\$21,716,017	\$90,639,363	\$98,052,123
Access Fees	\$0	\$0	(\$4,228,830)	(\$4,440,271)	(\$4,228,830)	(\$4,440,271)
Claim Adjustment	\$0	(\$5,579,998)	\$0	\$0	\$0	(\$5,579,998)
Total Net Paid Claims	\$72,855,906	\$70,756,108	\$13,554,627	\$17,275,746	\$86,410,533	\$88,031,853
Experience Period Lives	66,728	63,503	66,415	63,284		
PEPM Claim Cost	\$1,091.83	\$1,114.22	\$204.09	\$272.99	\$1,295.92	\$1,387.20
Annual Trend	4.1%	4.1%	7.0%	7.0%	4.6%	4.7%
Trend Months	29.0	17.0	29.0	17.0	29.0	17.0
Trend Factor	1.1020	1.0586	1.1776	1.1006	1.1139	1.0668
Trended PEPM Claim Cost	\$1,203.18	\$1,179.48	\$240.34	\$300.45	\$1,443.52	\$1,479.93
Dependent Ratio Adjustment	-1.05%	-0.46%	-0.99%	-0.41%		
Large Claimant Adjustment	\$0.00	\$0.00	N/A	N/A	\$0.00	\$0.00
Adjusted Claim Cost - PEPM	\$1,190.58	\$1,174.02	\$237.97	\$299.21	\$1,428.55	\$1,473.23
Period Weighting	40%	60%	40%	60%	40%	60%
Blended Claim Cost - PEPM	\$1,180.64		\$274.71		\$1,455.36	
Projected Lives	5,182		5,182		5,182	
Months to Project	12		12		12	
Projected Claim Cost	\$73,417,214		\$17,082,780		\$90,499,994	
Benefit Adjustment	0.9907		0.9907		0.9907	
Total Projected Claims	\$72,733,942		\$16,923,796		\$89,657,737	
Administration Fees			\$2,782,639			
EGWP (PEPM)			\$0			
GBS Fees			\$78,099			
Additional Fees			\$119,181			
Total Projected Administration Fees			\$2,979,918			
Total Projected Healthcare Reform Fees			\$27,459			
Total Projected Gross Plan Costs			\$92,665,115			
Current Funding/Premium			\$86,174,304			
Projected Funding/Premium Increase			\$6,490,811			
Needed Rate Adjustment			7.5%			

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City of Milwaukee

Renewal Projection - Early Retirees

Projection Period - 1/1/2023 through 12/31/2023

Category	Medical		Prescription Drug		Total	
	8/1/20 through 7/31/21	8/1/21 through 7/31/22	8/1/20 through 7/31/21	8/1/21 through 7/31/22	8/1/20 through 7/31/21	8/1/21 through 7/31/22
Gross Paid Claims	\$29,704,677	\$28,830,966	\$10,657,063	\$10,195,519	\$40,361,740	\$39,026,484
Access Fees	\$0	\$0	(\$2,344,299)	(\$2,461,514)	(\$2,344,299)	(\$2,461,514)
Claim Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Total Net Paid Claims	\$29,704,677	\$28,830,966	\$8,312,763	\$7,734,004	\$38,017,440	\$36,564,970
Experience Period Lives	21,190	21,224	21,239	21,213		
PEPM Claim Cost	\$1,401.83	\$1,358.41	\$391.39	\$364.59	\$1,793.22	\$1,723.00
Annual Trend	4.1%	4.1%	7.0%	7.0%	4.7%	4.7%
Trend Months	29.0	17.0	29.0	17.0	29.0	17.0
Trend Factor	1.1020	1.0586	1.1776	1.1006	1.1185	1.0675
Trended PEPM Claim Cost	\$1,544.78	\$1,437.98	\$460.92	\$401.26	\$2,005.70	\$1,839.25
Dependent Ratio Adjustment	-0.48%	-0.31%	-0.79%	-0.25%		
Large Claimant Adjustment	\$0.00	\$0.00	N/A	N/A	\$0.00	\$0.00
Adjusted Claim Cost - PEPM	\$1,537.34	\$1,433.58	\$457.26	\$400.25	\$1,994.60	\$1,833.84
Period Weighting	40%	60%	40%	60%	40%	60%
Blended Claim Cost - PEPM	\$1,475.09		\$423.06		\$1,898.14	
Projected Lives	1,772		1,772		1,772	
Months to Project	12		12		12	
Total Projected Claims	\$31,366,234		\$8,995,901		\$40,362,135	
Administration Fees			\$951,531			
EGWP (PEPM)			\$0			
GBS Fees			\$26,706			
Additional Fees			\$40,563			
Total Projected Administration Fees			\$1,018,800			
Total Projected Healthcare Reform Fees			\$9,390			
Total Projected Gross Plan Costs			\$41,390,325			
Current Funding/Premium			\$40,332,852			
Projected Funding/Premium Increase			\$1,057,473			
Needed Rate Adjustment			2.6%			

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City of Milwaukee

Renewal Projection - Medicare Retirees

Projection Period - 1/1/2023 through 12/31/2023

Category	Medical		Prescription Drug		Total	
	8/1/20 through 7/31/21	8/1/21 through 7/31/22	8/1/20 through 7/31/21	8/1/21 through 7/31/22	8/1/20 through 7/31/21	8/1/21 through 7/31/22
Gross Paid Claims	\$3,083,527	\$2,045,861	\$9,877,297	\$9,921,059	\$12,960,824	\$11,966,920
Access Fees	\$0	\$0	(\$2,204,550)	(\$2,314,777)	(\$2,204,550)	(\$2,314,777)
Claim Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Total Net Paid Claims	\$3,083,527	\$2,045,861	\$7,672,747	\$7,606,281	\$10,756,274	\$9,652,143
Experience Period Lives	19,015	17,116	18,856	16,957		
PEPM Claim Cost	\$162.16	\$119.53	\$406.91	\$448.56	\$569.08	\$568.09
Annual Trend	4.1%	4.1%	7.0%	7.0%	6.2%	6.4%
Trend Months	29.0	17.0	29.0	17.0	29.0	17.0
Trend Factor	1.1020	1.0586	1.1776	1.1006	1.1561	1.0918
Trended PEPM Claim Cost	\$178.70	\$126.53	\$479.19	\$493.69	\$657.89	\$620.22
Dependent Ratio Adjustment	-0.28%	-0.09%	-0.33%	-0.09%		
Large Claimant Adjustment	\$0.00	\$0.00	N/A	N/A	\$0.00	\$0.00
Adjusted Claim Cost - PEPM	\$178.19	\$126.41	\$477.59	\$493.23	\$655.78	\$619.64
Period Weighting	40%	60%	40%	60%	40%	60%
Blended Claim Cost - PEPM	\$147.12		\$486.98		\$634.10	
Projected Lives	1,340		1,340		1,340	
Months to Project	12		12		12	
Projected Claim Cost	\$2,365,745		\$7,830,596		\$10,196,341	
Benefit Adjustment	1.0000		1.0000		1.0000	
Total Projected Claims	\$2,365,745		\$7,830,596		\$10,196,341	
Administration Fees			\$719,555			
EGWP (PEPM)			\$159,996			
GBS Fees			\$20,195			
Additional Fees			\$25,850			
Total Projected Administration Fees			\$925,597			
Total Projected Healthcare Reform Fees			\$7,101			
Total Projected Gross Plan Costs			\$11,129,038			
Current Funding/Premium			\$10,939,416			
Projected Funding/Premium Increase			\$189,622			
Needed Rate Adjustment			1.7%			

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City of Milwaukee
Renewal Equivalent Rates
1/1/2023 through 12/31/2023

EPO Actives

Rate Tier	Plan Code	Employees	Current Rates - 1/1/2022 to 12/31/2022	Renewal Rates at Expected Costs - 1/1/2023 to 12/31/2023
Single	1	1,743	\$727.00	\$782.00
Single + Spouse	2	667	\$1,454.00	\$1,564.00
Single + Child(ren)	3	840	\$1,090.00	\$1,172.00
Family	4	1,711	\$2,180.00	\$2,344.00
Total Monthly		4,961	\$6,882,559	\$7,401,278
% Change from Current			-	7.5%

EPO Early Retirees

Rate Tier	Plan Code	Employees	Current Rates - 1/1/2022 to 12/31/2022	Renewal Rates at Expected Costs - 1/1/2023 to 12/31/2023
Single	1	579	\$1,024.00	\$1,051.00
Single + Spouse	2	558	\$2,046.00	\$2,100.00
Single + Child(ren)	9	141	\$1,535.00	\$1,575.00
Family	3	418	\$3,070.00	\$3,150.00
Total Monthly		1,696	\$3,234,259	\$3,319,104
% Change from Current			-	2.6%

EPO Medicare Retirees

Rate Tier	Plan Code	Employees	Current Rates - 1/1/2022 to 12/31/2022	Renewal Rates at Expected Costs - 1/1/2023 to 12/31/2023
Single	4	285	\$474.00	\$482.00
Single + Spouse	5	120	\$946.00	\$962.00
Single + Child(ren)	10	11	\$994.00	\$1,011.00
Family	8	1	\$1,468.00	\$1,493.00
Medicare Split Single + Spouse	6	127	\$1,516.00	\$1,542.00
Medicare Split Family	7	25	\$2,037.00	\$2,072.00
Total Monthly		569	\$504,469	\$513,058
% Change from Current			-	1.7%

PPO Actives

Rate Tier	Plan Code	Employees	Current Rates - 1/1/2022 to 12/31/2022	Renewal Rates at Expected Costs - 1/1/2023 to 12/31/2023
Single	1	100	\$855.00	\$919.00
Single + Spouse	2	32	\$1,712.00	\$1,841.00
Single + Child(ren)	3	33	\$1,284.00	\$1,381.00
Family	4	39	\$2,567.00	\$2,760.00
Total Monthly		204	\$282,769	\$304,025
% Change from Current			-	7.5%

PPO Early Retirees

Rate Tier	Plan Code	Employees	Current Rates - 1/1/2022 to 12/31/2022	Renewal Rates at Expected Costs - 1/1/2023 to 12/31/2023
Single	1	44	\$1,107.00	\$1,136.00
Single + Spouse	2	15	\$2,216.00	\$2,274.00
Single + Child(ren)	9	7	\$1,662.00	\$1,706.00
Family	3	10	\$3,323.00	\$3,410.00
Total Monthly		76	\$126,812	\$130,136
% Change from Current			-	2.6%

PPO Medicare Retirees

Rate Tier	Plan Code	Employees	Current Rates - 1/1/2022 to 12/31/2022	Renewal Rates at Expected Costs - 1/1/2023 to 12/31/2023
Single	4	545	\$404.00	\$411.00
Single + Spouse	5	209	\$764.00	\$777.00
Single + Child(ren)	10	1	\$992.00	\$1,009.00
Family	8	3	\$1,071.00	\$1,090.00
Medicare Split Single + Spouse	6	12	\$1,753.00	\$1,783.00
Medicare Split Family	7	1	\$2,052.00	\$2,088.00
Total Monthly		771	\$407,149	\$414,151
% Change from Current			-	1.7%

HDHP Actives

Rate Tier	Plan Code	Employees	Current Rates - 1/1/2022 to 12/31/2022	Renewal Rates at Expected Costs - 1/1/2023 to 12/31/2023
Single	1	13	\$705.00	\$758.00
Single + Spouse	2	1	\$1,409.00	\$1,515.00
Single + Child(ren)	3	1	\$1,058.00	\$1,138.00
Family	4	2	\$2,116.00	\$2,275.00
Total Monthly		17	\$15,864	\$17,057
% Change from Current			-	7.5%

Total Monthly - All PPO Plans		8,294	\$11,453,881	\$12,098,809
Total Annual - All PPO Plans			\$137,446,572	\$145,185,708
Annual Change from Current			-	\$7,739,136
% Change from Current			-	5.6%

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