

June 18, 2012

To: Finance and Personnel Committee

From: Michael Brady, Employee Benefits

Re: Communication regarding 2013 Health and Dental Benefits

Dental Benefits: The City has current contracts with CarePlus Dental, DentalBlue and DeltaDental through December 2013. The 100% monthly rates and percent increase for dental for 2013 are below. The City pays \$13 for single and \$37.50 for family monthly and the employee pays the balance in two monthly payments.

- WPS/Delta Dental:
- CarePlus Dental, 2013: \$44.56, Single; \$131.33, Family – 1.6% increase
 - 2012: \$43.86, Single; \$129.26, Family
- DentalBlue, 2013: \$55.57, Single; \$166.72, Family – 17.6% increase
 - 2012 \$47.25, Single; \$141.77, Family
- DeltaDental, 2013:
 - General City 2013 \$25.87, Single; \$89.38, Family – 3.7% increase
 - Fire 2013 \$29.92, Single; \$85.73, Family – 3.7% increase
 - Police \$30.01, Single; \$91.39, Family – 3.7% increase

 - General City, 2012 \$24.96, Single; \$86.20, Family
 - Fire, 2012 \$28.86, Single; \$82.68, Family
 - Police, 2012 \$28.94, Single; \$88.06, Family

Health Insurance: The City has current contracts through December 2014 to administer the UHC Choice and UHC Choice Plus plans. The City also has a contract with Medco to administer the prescription benefit plan through December 2013.

The City is in the first year self-funding the UHC Choice Plan and UHC Choice Plus plans, the first year of plans with employee deductible, co-insurance and out-of-pocket maximum and the first year of employee contribution of 12%. For those reasons the Department of Employee Relations is proposing that the City's Actuary, Willis, will provide the projected 2013 rates by October 1, 2012 when additional data is available to make the projections for 2013, including the employee's 12% share, more accurately.

Open Enrollment: The Department of Employee Relations will notify all employees in September regarding the 2013 Open Enrollment. The notification will be a postcard, indicating that all the information for Open Enrollment is available on-line. The Department will not be mailing the three-page open enrollment statement, the blue open enrollment booklet and other benefit promotions, but will make all information available on-line in October, including the employee 12% share for health insurance.

Retiree Insurance: City of Milwaukee retirees, both pre-Medicare retirees and Medicare retirees, will be mailed an open enrollment booklet with information about their 2012 choices. The Department is working with UHC, Medco and the City's actuary at Willis to determine if offering a Medicare Advantage plan for all Medicare retirees would be in their best interest. At this time it appears there could be considerable savings with the same benefits for Medicare retirees by offering all Medicare retirees a UHC Medicare Advantage Plan with \$500 deductible and \$500 co-insurance, and a Medco Medicare D prescription drug plan with a wrap plan to keep the drug co pays at \$5/\$25/\$50. This would be offered instead of the UHC Choice and UHC Choice Plus plans.

At this time close to 1000 City of Milwaukee Medicare retirees have left the City plan and are taking a \$0 premium Medicare Advantage plan offered by UHC or a \$100 per month Medicare Advantage Plan offered by Humana that they feel provides them with a better value than the City plans. Both of these plans are supported by the Milwaukee Retiree Association. City Medicare retirees are allowed to return to a City plan during open enrollment.

All pre-Medicare retirees will continue to be offered the Choice and Choice Plans offered to active employees, with the Medco drug plan.