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## Department of Employee Relations

September 13, 2024

Alderwoman Marina Dimitrijevic, Chairwoman  
City of Milwaukee Common Council Finance and Personnel Committee  
200 East Wells Street, Room 205  
Milwaukee, WI 53202

### **231598 Resolution regarding 2025 health and dental insurance premium rates**

Dear Alderwoman Dimitrijevic and Finance Committee Members:

The City of Milwaukee provides healthcare and prescription drug benefits to all eligible employees and retirees, as well as dental benefits to active employees. The premium rates for health and dental insurance are updated annually by the City's benefits consultant based on the experience to date of each respective employee and retiree group. This file shares the process used to determine the employer and member cost of 2025 health plan and dental premium rates.

The Department of Employee Relations (DER) works with its benefits consultant and actuary, Gallagher Benefits Services, to determine 2025 employee health and dental benefit rates and retiree health rates. Gallagher actuary analyzes current health plan utilization and experience data provided by UnitedHealthcare/OptumRx along with medical inflationary trends and the City's health plan benefit design to project the 2025 rates. A process that includes current health and pharmacy data allows the City to provide more accurate rates for 2025, including the City and member share of the total premium cost.

Active employee healthcare rates and the monthly employee premium for the UHC EPO Choice plan will remain the same for 2025 for both a single and family tier. The City's experience with active healthcare premiums and expenditures remains unique and is lower than premium trends experienced by similar employers. This is largely due to employees' continual engagement and participation in the City's comprehensive wellness program, which has significantly reduced the health plan premium increases experienced prior to the program's implementation.

The healthcare rates for early retirees (under the age of 65) will stay the same for 2025. This decision was made based on the group's utilization experience, as well as medical and prescription drug trends. The monthly premium for the UHC EPO Choice single plan will not change for 2025. However, Medicare retiree (age 65 and above) rates will increase by 11.4%. The monthly premium for the UHC PPO Choice Plus single plan will increase to \$327.75.



The attached healthcare rate projection summary prepared by Gallagher Benefits Services reflects the premium numbers for actives, retirees under 65, and Medicare-eligible retirees. In addition, rate charts are also provided for active employees and retirees.

In 2025, there will be no increases to current dental plan premiums for the Delta Dental EPO, PPO, and CarePlus dental plans. After an initial 2% increase in 2023, dental plan rates will remain flat for 2024 and 2025.

Approval of this resolution allows the DER to finalize and start communicating 2025 health and dental premium rates in time for the fall open enrollment period.

As always, please don't hesitate to contact me with any questions or comments regarding this file.

Respectfully,

Molly King  
Employee Benefits

