



Department of Employee Relations

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September 3, 2026

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

Ref: 250763 Resolution Regarding 2026 health, dental, and vision 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, and dental benefits to active employees. Premium rates for health and dental insurance are updated annually by the City's benefits consultant, based on the experience to date for each respective employee and retiree group. This document outlines the process used to determine the employer and member costs for the 2026 health and dental benefits, as well as the final premium rates.

The Department of Employee Relations (DER), in partnership with its benefits consultant Gallagher Benefit Services, determines the 2026 employee health and dental benefit rates as well as retiree health rates. Gallagher analyzes current health plan utilization and experience data provided by OptumRx and UnitedHealthcare, alongside medical inflation trends and the City's health plan benefit design, to project the 2026 rates. This data-driven process, incorporating current health and pharmacy information, enables the City to provide more accurate premium rates for 2026, including both the City's and members' share of the total cost.

Active employee healthcare rates will have an increase of 6.0% in 2026. The monthly employee premium for the UHC EPO Choice plan will increase to \$104.16 for a single tier and \$312.06 for a family tier. The City's experience with active healthcare premiums and expenditures since 2012 remains unique and is lower than premium trends experienced by similar employers over the same time period. Employees' continual engagement and participation in the City's comprehensive wellness program have significantly mitigated the health plan premium increases the City experienced prior to the implementation of that program.

Healthcare rates for early retirees (under age 65) will increase 12.6% in 2026 based on utilization experience, along with medical and prescription drug trends for this group. A member's monthly premium for the UHC EPO Choice single plan will increase to \$149.76.

For Medicare retirees (age 65 and above), there will be no increase in premiums for Part A and Part B coverage in 2026. This is due to the City's transition to the UnitedHealthcare Medicare Advantage (Part C) Plan. The Part D (Prescription Drug) coverage will continue to be offered separately by the City. In 2026, the monthly premium for the Rx Only plan will decrease by 26.5%, with the single plan premium dropping to \$343.14.

The attached healthcare rate projection summary, prepared by Gallagher Benefit Services, provides detailed premium information for active employees, retirees under the age of 65, and Medicare retirees. Included with this summary are updated rate charts for each group.

In 2026, the City's dental plan premiums will increase as follows: Delta Dental (EPO and PPO Plans) will see a 4.0% increase, and the CarePlus Dental Plan will increase by 5.0%. For 2027, CarePlus Dental Plan rates will remain flat, while Delta Dental rates are only guaranteed through 2026; therefore, 2027 rates for Delta Dental have not yet been determined.

Vision insurance is a voluntary benefit, with employees responsible for paying the premiums. The premium increase will be 5.0% in 2026 and will remain flat for both 2026 and 2027.

Approval of this resolution will authorize the Department of Employee Relations (DER) to finalize and begin communicating the 2026 health and dental premium rates in time for the fall open enrollment period.

Please feel free to reach out if you have any questions or comments regarding this matter. I am happy to assist.

Sincerely,
Molly King
Employee Benefits