

**City of Milwaukee  
2015 Active Rate Projection**

| Cost Projection                        | Actives      |                | Total<br>Actives |
|--|--------------|----------------|------------------|
|  | Choice       | Choice<br>Plus |                  |
| Paid Claims-Medical 9/1/13-8/31/14     | \$68,009,335 | \$6,459,146    | \$74,468,481     |
| Paid Claims-Rx 9/1/13-8/31/14          | \$13,737,038 | \$1,260,416    | \$14,997,453     |
| Total                                  | \$81,746,373 | \$7,719,561    | \$89,465,934     |
| Average Enrollment 9/1/13-8/31/14      | 5,627        | 467            | 6,093            |
| Average Members 9/1/13-8/31/14         |              |                |                  |
| Current Enrollment 8/31/14             | 5,650        | 415            | 6,065            |
| Trend-Medical                          | 6.5%         | 6.5%           |                  |
| Trend-Rx                               | 8.5%         | 8.5%           |                  |
| Trend Months                           | 16           | 16             |                  |
| Trend Factor-Medical                   | 1.088        | 1.088          |                  |
| Trend Factor-Rx                        | 1.115        | 1.115          |                  |
| Projected Claims-Medical 2015          | \$74,274,265 | \$6,247,159    | \$80,521,424     |
| Projected Claims-Rx 2015               | \$15,379,295 | \$1,249,668    | \$16,628,964     |
| Total Projected Claims                 | \$89,653,561 | \$7,496,827    | \$97,150,388     |
| Administrative Expense Per Contract    |              |                |                  |
| UHC                                    | \$45.56      | \$45.56        | \$45.56          |
| MEDCO                                  | \$1.53       | \$1.53         | \$1.53           |
| Projected Administrative Cost 2015     | \$3,192,702  | \$234,508      | \$3,427,210      |
| Total Projected Cost 2015              |              |                | \$100,577,598    |
| Savings due to Plan Changes-Medical    |              |                | (\$6,600,000)    |
| Savings due to Plan Changes-Rx         |              |                | (\$2,900,000)    |
| Total Projected Cost 2015 with Savings |              |                | \$91,077,598     |
| Projected Claims-Medical 2015 pepm     |              |                | \$1,015.68       |
| Projected Claims-Rx 2015 pepm          |              |                | \$188.64         |
| Total Projected Claims-2015 pepm       |              |                | \$1,204.32       |
| Projected Cost-Medical 2015 pepm       |              |                | \$1,061.24       |
| Projected Cost-Rx 2015 pepm            |              |                | \$190.17         |
| Total Projected Cost-2015 pepm         |              |                | \$1,251.41       |

**City of Milwaukee  
2015 Active Rate Projection**

**Income at Current Rates**

**2014 Rates**

|                     | Choice     | Choice Plus |
|---------------------|------------|-------------|
| Coverage            |            |             |
| Employee            | \$621.76   | \$731.47    |
| Employee w/deps     | \$932.63   | \$1,097.21  |
| EE & Spouse/no deps | \$1,243.51 | \$1,462.95  |
| Family              | \$1,865.27 | \$2,194.42  |

**Current Enrollment**

|                     | Choice | Choice Plus | Total |
|---------------------|--------|-------------|-------|
| Employee            | 1,779  | 158         | 1,937 |
| Employee w/deps     | 838    | 63          | 901   |
| EE & Spouse/no deps | 827    | 57          | 884   |
| Family              | 2,204  | 134         | 2,338 |
|                     | 5,648  | 412         | 6,060 |

**2014 Income at Current Rates and Enrollment**

|  | Choice       | Choice Plus | Total        |
|--|--------------|-------------|--------------|
|  | \$84,325,114 | \$6,745,643 | \$91,070,757 |

|                        | Choice | Choice Plus | Total | Total Prior to Plan Changes |
|------------------------|--------|-------------|-------|-----------------------------|
| <b>Increase Needed</b> |        |             | 0.0%  | 10.4%                       |

**Recommended 2015 Rates**

|                     | Choice     | Choice Plus |
|---------------------|------------|-------------|
| Coverage            |            |             |
| Employee            | \$622.00   | \$732.00    |
| Employee w/deps     | \$933.00   | \$1,098.00  |
| EE & Spouse/no deps | \$1,244.00 | \$1,464.00  |
| Family              | \$1,866.00 | \$2,196.00  |

**City of Milwaukee  
2015 Retiree Rate Projection**

| Cost Projection                        | Retirees       |                   |               |
|--|----------------|-------------------|---------------|
|  | Early Retirees | Medicare Retirees | Total Retiree |
| Paid Claims-Medical 9/1/13-8/31/14     | \$23,805,723   | \$6,152,054       | \$29,957,777  |
| Paid Claims-Rx 9/1/13-8/31/14          | \$6,286,852    | \$6,866,914       | \$13,153,765  |
| Total                                  | \$30,092,575   | \$13,018,968      | \$43,111,542  |
| Average Enrollment 9/1/13-8/31/14      | 1,709          | 2,131             | 3,840         |
| Average Members 9/1/13-8/31/14         | 3,452          | 2,955             | 6,406         |
| Current Enrollment 8/31/14             | 1,672          | 2,118             | 3,790         |
| Trend-Medical                          | 6.5%           | 6.5%              |               |
| Trend-Rx                               | 8.5%           | 8.5%              |               |
| Trend Months                           | 16             | 16                |               |
| Trend Factor-Medical                   | 1.088          | 1.088             |               |
| Trend Factor-Rx                        | 1.115          | 1.115             |               |
| Projected Claims-Medical 2015          | \$25,326,677   | \$6,650,890       | \$31,977,566  |
| Projected Claims-Rx 2015               | \$6,856,517    | \$7,610,176       | \$14,466,693  |
| Total                                  | \$32,183,194   | \$14,261,065      | \$46,444,259  |
| Administrative Expense Per Contract    |                |                   |               |
| UHC                                    | \$45.56        | \$41.29           |               |
| MEDCO                                  | \$1.53         | \$14.46           |               |
| Projected Administrative Cost 2015     | \$944,814      | \$1,416,942       | \$2,361,756   |
| Total Projected Cost 2015              | \$33,128,007   | \$15,678,007      | \$48,806,015  |
| Savings due to Plan Changes-Medical    | (\$1,300,000)  | \$0               | (\$1,300,000) |
| Savings due to Plan Changes-Rx         | (\$1,200,000)  | (\$1,300,000)     | (\$2,500,000) |
| Total Projected Cost 2015 with Savings | \$30,628,007   | \$14,378,007      | \$45,006,015  |
| Projected Claims-Medical 2015 pepm     | \$1,262.29     | \$261.68          |               |
| Projected Claims-Rx 2015 pepm          | \$341.73       | \$299.42          |               |
| Total Projected Claims-2015 pepm       | \$1,604.03     | \$561.11          |               |
| Projected Cost-Medical 2015 pepm       | \$1,307.85     | \$302.97          |               |
| Projected Cost-Rx 2015 pepm            | \$343.26       | \$313.88          |               |
| Total Projected Cost-2015 pepm         | \$1,651.12     | \$616.86          |               |

**City of Milwaukee  
2015 Retiree Rate Projection**

**Income at Current Rates**

|                   | Plan | 2014 Rates  |            | Enrollment  |        |              |
|-------------------|------|-------------|------------|-------------|--------|--------------|
|                   |      | Choice Plus | Choice     | Choice Plus | Choice |              |
| Early Retirees    | 1    | \$1,023.55  | \$945.15   | 129         | 463    | \$6,832,803  |
|                   | 2    | \$2,047.09  | \$1,890.29 | 126         | 441    | \$13,098,835 |
|                   | 3    | \$3,070.64  | \$2,835.44 | 50          | 272    | \$11,119,222 |
|                   | 9    | \$1,535.32  | \$1,417.72 | 28          | 68     | \$1,672,155  |
| Medicare Retirees | 4    | \$327.26    | \$382.96   | 1,037       | 288    | \$5,396,131  |
|                   | 5    | \$619.44    | \$765.89   | 523         | 102    | \$4,820,692  |
|                   | 6    | \$1,418.57  | \$1,227.32 | 66          | 169    | \$3,620,910  |
|                   | 7    | \$1,662.64  | \$1,649.51 | 7           | 20     | \$529,969    |
|                   | 8    | \$866.96    | \$1,188.10 | 3           | 2      | \$59,103     |
|                   | 10   | \$803.68    | \$805.14   | 3           | 6      | \$85,998     |

2015 Income at Current Rates and Enrollment

\$47,235,818

Prior to Plan Changes

|                                   |       |      |
|-----------------------------------|-------|------|
| Increase Needed-Early Retirees    | -6.4% | 1.2% |
| Increase Needed-Medicare Retirees | -0.9% | 8.0% |
| Overall Increase                  | -4.7% | 3.3% |

**Recommended 2015 Rates**

|                   | Plan | Choice Plus | Choice     | Increase |
|-------------------|------|-------------|------------|----------|
| Early Retirees    | 1    | \$958.00    | \$885.00   | -6.4%    |
|                   | 2    | \$1,916.00  | \$1,769.00 | -6.4%    |
|                   | 3    | \$2,874.00  | \$2,654.00 | -6.4%    |
|                   | 9    | \$1,437.00  | \$1,327.00 | -6.4%    |
| Medicare Retirees | 4    | \$324.00    | \$379.00   | -1.0%    |
|                   | 5    | \$614.00    | \$759.00   | -0.9%    |
|                   | 6    | \$1,405.00  | \$1,216.00 | -1.0%    |
|                   | 7    | \$1,647.00  | \$1,634.00 | -0.9%    |
|                   | 8    | \$859.00    | \$1,177.00 | -0.9%    |
|                   | 10   | \$796.00    | \$798.00   | -1.0%    |