



Department of Employee Relations

September 14, 2017

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

Tom Barrett
Mayor

Maria Monteagudo
Director

Renee Joos
Employee Benefits Director

Nicole Fleck
Labor Negotiator

File No: 170340 Communication regarding 2018 Healthcare and Dental Rates

Dear Alderwoman Coggs 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. The premium rates for these benefit services are updated annually by Willis Towers Watson, the City's benefits consultant, based on the experience to date of each respective employee and retiree group. This communication shares the employer and member cost of healthcare and dental benefits for 2018.

The Finance and Personnel Committee and Common Council approved file 170339, a resolution authorizing the process for preparing the 2018 rates for health and dental benefits. Willis Towers Watson actuarial services determines the projected rates for healthcare costs based on past utilization and experience, healthcare trends, anticipated plan benefit design, and future cost projections.

The active employee healthcare rates, which have remained flat since 2012, will continue to be flat in 2018. The monthly employee premium for a single plan with UHC Choice in 2012 was \$74.88 and in 2018 will be \$74.04. In addition, there will be no benefit design changes in 2018 for the third year in a row. This type of experience is somewhat unprecedented and possible because of the support and commitment the DER receives from the Mayor, Council members, the labor/management committee and our employees who have increasingly engaged in the City's comprehensive health and wellness program and continue to make smarter healthcare utilization choices. These factors have made a significant difference in the City's healthcare trend and have limited premium increases over the past seven years.

Retiree rates for those under age 65 are decreasing in 2018 based on the utilization, experience and medical/prescription drug trends for this group. The monthly member's premium for a single plan with UHC Choice will decrease 6.0% to \$115.68 (12% share) in 2018 from \$123 in 2017.



The Medicare (age 65 and above) retiree rates are increasing in 2018 based on utilization, experience and medical/prescription drug trends. The monthly member's premium for a single plan with UHC Choice Plus will increase 6.6% to \$300.75 (75% share) from \$282 in 2017.

The attached rate projection summaries prepared by Willis Towers Watson reflect the premium numbers for actives, retirees under 65 and Medicare retirees. In addition, rates charts are also provided for active employees and retirees.

2018 dental rates for employees are also included on the active healthcare rate charts. The City recently completed a request for proposal process for dental plan providers and the rate changes below reflect the results of that process:

- CarePlus: increases 3%
- Delta Dental EPO (replacing Anthem DentalBlue): decreases -12.7%
- Delta Dental PPO (replacing MetLife): decreases -10%

Please contact me if you have any questions or comments regarding his file.

Sincerely,
Renee Joos
Employee Benefits

CC: Ellen Tangen, City Attorney's Office
Dennis Yaccarino, Budget Office

