

July 13, 2016

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

File No: 160039 authorizing a process for the Department of Employee Relations to determine and communicate 2017 health benefit rates for active and retired employees

Dear Alderwoman Coggs and Finance Committee Members:

The City of Milwaukee Department of Employee Relations (DER) offers health and prescription drug benefits to all active and retired employees. The City has a contract with Willis Towers Watson to provide actuarial services including the projection of equivalent plan rates for active and retired members.

The City will communicate information regarding open enrollment and 2017 health benefit rates on DER's website for active members by October 1, 2016 and will post and send open enrollment materials to retired members in October 2016.

The DER will follow the same process it has utilized in past years to determine and communicate health benefit rates for employees and retirees. Willis Towers Watson will analyze utilization and experience data provided by UnitedHealthcare and OptumRx through August 2016 to project the 2017 rates for active and retired members. This process will allow the City to provide more accurate rates for 2017, including the City share and member share of the total premium equivalent.

Willis Towers Watson will prepare separate rates for active and retired members based on their current utilization experience from September 2015 through August 2016.

This resolution allows the DER to communicate the health benefit rates on the DER's website as of October 1, 2016 to active members, prior to open enrollment, and to mail the rates for retired members in October 2016. The DER recommends approval of this resolution. The DER will share the benefit rates and employee premium share in a separate communication file on September 14, 2016.

Please contact me if you have any additional comments or questions regarding this file.
Sincerely,

Renee Joos,
Employee Benefits

CC: Maria Montegudo, DER
Ellen Tangen, City Attorney's Office

Dennis Yaccarino, Budget Office