



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

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Vacant
Labor Negotiator

September 9, 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: 160040 Communication Regarding 2017 Health and Dental Benefit Rates

Dear Alderwoman Coggs and Finance Committee Members:

The City of Milwaukee provides health benefits and prescription drug benefits to all eligible active and retired employees. The City also provides dental benefits to eligible active employees. This communication shares the employer and employee cost of those benefits for 2017 as prepared by a Willis Towers Watson actuary.

The Finance & Personnel Committee and Common Council approved file 160039, a resolution authorizing the process for preparing the 2017 rates for health and dental benefits. Willis Towers Watson prepares the projected rates for health care costs based on past utilization, experience, health care trend, benefit design and future cost projections. This file communicates those rates. There are no benefit design changes for 2017.

The active rates, which have remained relatively flat since 2012, will continue to be flat in 2017. The monthly premium for a single plan with UHC Choice in 2012 was \$74.88 and in 2017 will be \$74.04. Active employee efforts engaging in wellness and better utilization of health care services have continued to make a difference and limited increases over the past six years.

The Under 65 retiree rates are increasing in 2017 based on utilization, experience and medical/prescription drug trends for this group. The under 65 premium for one with UHC Choice will increase 8.5% to \$123.00 (12% share) in 2017 from \$113.40 in 2016, \$106.20 in 2015 and \$113.42 in 2014.

The Medicare retiree rates are decreasing in 2017 based on utilization, experience and medical/prescription drug trends. The Medicare premium for one with UHC Choice Plus will decrease -2.9% to \$282 (75% share) from \$290.25 in 2016, \$243 in 2015 and \$245.45 in 2014.



The attached rate projection summaries prepared by Willis Towers Watson reflect the premium numbers for actives, retirees under 65 and Medicare retirees. Attached are the rate charts for active general city, active fire, active police employees and rate chart 1 and 21 for retirees.

The active rate charts also reflect the 2017 dental rates based on utilization and experience including:

- CarePlus/DentalAssociates: increase of 6%
- Anthem DentalBlue DentaCare: decrease -5.5%
- MetLife: increase of 7%

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

Sincerely,

Renee Joos,
Employee Benefits

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

