



Department of Employee Relations

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September 8, 2021

Alderman Michael Murphy, Chairman
City of Milwaukee Common Council Finance and Personnel Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

201647 Resolution Regarding 2022 health and dental insurance premium rates

Dear Alderman Murphy 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 health and dental insurance are updated annually by the City's benefits consultant, based on the experience to date of each respective employee and retiree group. This file shares the process used to determine the employer and member cost of 2022 healthcare and dental benefits, as well as the final premium rates.

The Department of Employee Relations (DER) works with its benefits consultant, Gallagher Benefits Services to determine 2022 employee health and dental benefit rates and retiree health rates. Gallagher analyzes current health plan utilization and experience data provided by OptumRx and UnitedHealthcare along with medical inflationary trends and the City's health plan benefit design to project the 2022 rates. A process which includes current health and pharmacy data allows the City to provide more accurate rates for 2022, including the City and member share of the total premium cost.

Active employee healthcare rates will have a very small increase of .4% in 2022. The monthly employee premium for the UHC EPO Choice plan will remain around \$87 for a single tier and \$261 for a family tier. The City's experience with active healthcare premiums and expenditures since 2012 is very unique and significantly lower than premium trends experienced by similar employers over the same time period. From 2012 through 2022, City employee healthcare premium rates have increased 16% while the cost of medical care has increased 6% or more every single year during that same time period. Employees' continual engagement and participation in the City's comprehensive wellness program have significantly mitigated health plan premium increases the City experienced prior to the implementation of that program.

Healthcare rates for early retirees (under age 65) are decreasing 11.1% 2022 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 decrease from \$138 to \$123. Medicare retiree (age 65 and above) rates will decrease 1.1% with a member's monthly premium for the UHC PPO Choice Plus single plan decreasing from \$307 to \$303.

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

In 2022, the City will have no changes to current dental plan premiums and rates for the Delta Dental EPO, PPO and CarePlus dental plans will remain flat.

Approval of this resolution allows the DER to finalize and start communicating 2022 health and dental premium rates in time for the fall open enrollment period.

I am happy to answer any questions or comments regarding this file.

Sincerely,
Renee Joos
Employee Benefits