



Department of Employee Relations

September 13, 2019

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: 190244 Communication Regarding 2020 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 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 2020.

The Finance and Personnel Committee and Common Council approved file 190243, a resolution authorizing the process to prepare 2020 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 and pharmacy medical inflationary trends and future cost projections.

Active employee healthcare rates will increase 6.9% in 2020. The monthly employee premium for a UHC EPO Choice single plan will increase from \$78 to \$83 and from \$234 to \$250 for a family plan. 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. Employees' continual engagement and participation in the City's comprehensive wellness program have significantly mitigated the premium increases the City was experiencing prior to 2012.

Day after day City employees take intentional actions/steps to improve or maintain their health, whether through a year-long diabetes prevention program, an interdepartmental weight loss competition or a simple blood pressure check that prevents an employee from having a catastrophic health event. These are all examples of things that happen every day, very much under the radar, that make a big difference in the health and quality of life of our employees and have direct and long lasting implications on their out-of-pocket medical spend and the City's expenditures as well.



Retiree healthcare rates are also increasing in 2020 based on utilization experience along with medical and prescription drug trends for this group. Rates for retirees under age 65 will increase 3% with a member's monthly premium for a UHC EPO Choice single plan increasing from \$127 to \$130. Medicare retiree (age 65 and above) rates will increase 6.7% with a member's monthly premium for a UHC PPO Choice Plus single plan increasing from \$306 to \$326.

The attached healthcare 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.

There will be no increases in CarePlus dental plan rates for 2020. Employees enrolled in the Delta Dental EPO and PPO plans will have a 6% rate increase based on utilization and experience.

I'm happy to answer any questions or comments regarding his file.

Sincerely,
Renee Joos
Employee Benefits

