



City of Milwaukee
Finance & Personnel Committee
Medicare Advantage (MA)
Proposal Summary
July 29th, 2025

Introduction

Purpose:

- To determine if the City should continue administering our self-funded Medicare plan or,
- Consider transitioning to a United Healthcare Medicare Advantage (MA) Plan

Why transition?

- Cost Savings for both the employee and the City
- Additional benefits that are not currently offered

What is Medicare?

Medicare is health insurance for:

- People 65 or older
- People under 65 with certain disabilities
- People of any age with End-Stage Renal Disease (ESRD)(permanent kidney failure requiring dialysis or a kidney transplant)

City of Milwaukee's Current Medicare Plan: Four Types Available

Medicare Part A – Hospital Insurance

- Inpatient Care in hospital
- Skilled nursing facility care
- Includes Hospice care and Home health care

Medicare Part B – Medical Insurance

- Service from doctors and other health care providers
- Outpatient care and Home health care
- Durable medical equipment and some preventive service

Medicare Part C – Medicare Advantage

- Includes all benefits and services covered under Part A and Part B
- Run by Medicare- approved private insurance Companies

Medicare Part D – Medicare Prescription Drug Coverage

- Help cover the cost of prescription drugs

City of Milwaukee's Current Medicare Plan

Current Retiree Populations	1,298 post-65 retirees and spouses
Current Medical Plans	EPO – secondary to Medicare (610 retirees and spouses) PPO – secondary to Medicare (688 retirees and spouses)
Contribution Strategy	City pays 25% of the premium cost Retiree pays 75% of the premium cost

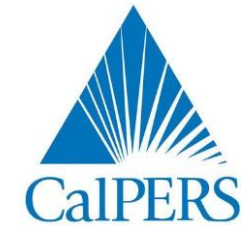
UHC Group Medicare Advantage Proposal - Executive Summary

Proposed Strategy	<ul style="list-style-type: none"> Convert retirees from current Medicare plans to an actuarially equivalent Group Medicare Advantage PPO plan with UHC
Why UHC	<ul style="list-style-type: none"> UHC is the current long-standing carrier and the market leader in Medicare Advantage Current Group Medicare Advantage carrier for Milwaukee County, Milwaukee County Transit System, MATC & Milwaukee Public Schools
Benefit to the City	<ul style="list-style-type: none"> Projected savings of around \$1.1M over the 2-year offer (2026 and 2027)
Benefit to the Retirees	<ul style="list-style-type: none"> Annual savings of around \$2,700 Equivalent benefit design with additional value-added benefits and programs; fitness, hearing aid, meals, transportation, etc. Improved clinical and wellness results and closed gaps in care Near universal provider access (99.6%+ provider access)
Additional Considerations	<ul style="list-style-type: none"> This would be offered alongside the Aetna MA plan which is sponsored by Milwaukee Retiree Association Desire is to ensure that ALL retiree has good options available to them and also not significantly increase enrollment in City sponsored plan

URS Group Medicare Advantage Growth

2014 - 450K
members

2025 - 1.9M+
members



* Membership only includes Group MA/MAPD and Senior Supplement

UHC Medicare Advantage(MA) financial commitment - single plan option

Move all retirees to richer EPO actuarially equivalent Group MA design

(January 1, 2026 – December 31, 2027)

Years	Retirees	MA Rate	Current Projected Costs	Savings (PMPM)	Total Savings (Annual)	City Savings (Annual)	Retiree Savings (Annual)
2026	1,298	\$0.00	\$147.83	\$147.83	\$2.3M	\$576K	\$1,330
2027	1,298	\$0.00*	\$153.74	\$153.74	\$2.4M	\$600K	\$1,380
Total					\$4.7M	\$1.176M	\$2,710

*Second year rate requires a minimum of 1,000 enrollees to be enrolled in 2026

Performance Guarantees	\$15 per enrolled member per year across a variety of operational and performance metrics
Implementation Credits	\$10 per enrolled member initial credit to be used to offset the cost of any documented expenses associated with the implementation during the first year of the plan

Medical Plan Design Comparison

Medical	Current EPO Plan	Current PPO Plan	UnitedHealthcare MA Plan	
Plan Factor	.885	.854	.889	
In-Network / Out-of-Network	NA	NA	In-Network	Out-of-Network
Deductible	\$1,500	\$3,000	\$350	
OOPM	\$3,000	\$6,000	\$3,000	
PCP	60% after deductible	60% after deductible	\$35	\$35
Specialist	60% after deductible	60% after deductible	\$50	\$50
Hospital Inpatient	80% after deductible	80% after deductible	\$50 per day, days 1-7 \$0 per day, days 8+	\$50 per day, days 1-7 \$0 per day, days 8+
Outpatient Surgery	\$150 copay	\$150 copay	20%	20%
Skilled Nursing Facility	80% after deductible	80% after deductible	\$0 per day, days 1-20 \$100 per day, days 21-88 \$0 per day, days 89-100	\$0 per day, days 1-20 \$100 per day, days 21-88 \$0 per day, days 89-100
Emergency Room	\$250 per visit	\$250 per visit	\$100 per visit	\$100 per visit

Additional Coverage Comparison

Medical	Current Plans	UnitedHealthcare MA Plan
Hearing Aid*	80% - one hearing aid every 3 years	\$1,000 allowance per ear every 36 months
Home Health Services	80%	\$0
Eye Exam	80%	\$0 annual visit
Nutritional Counseling	Included	Included
Accidental Dental	Included	Included
TMJ Coverage	Included	Included
Transplant, Cancer & Congenital Heart Treatment Transportation / Lodging	Included	Included
Oral Surgery	Medicare and Non-Medicare Covered	Included (Medicare Covered) / Excluded (Not Covered by Medicare)**
Chiropractic Services	Included	Included
Wigs	Not Included	\$400 annual allowance after chemo
Hearing Exam	Not Included	\$0 annual visit
Podiatry	Not Included	\$50 per visit, 6 visits per year
Healthy at Home Post-Discharge Program	Not Included	12 non-emergency medical rides 28 home delivered meals 6 hours in-home care
HouseCalls	Not Included	\$0 annual in-home visit
Member Rewards Program	Not Included	Incentive rewards for gap care closure

Group Medicare Advantage value proposition

1.9M+

Total Group Medicare Advantage members

67K

Medicare Advantage members residing in Wisconsin in 2024

5.5K

Employees dedicated to and supporting Group Retiree

700K

Public Sector Medicare Advantage members

4+

Star rated plan for 10 consecutive years

20

State customers

95%

Retention in Group Medicare Advantage since 2014

4K

Employed Nurse Practitioners (largest private sector employer nationwide)

1.1M+

Accepting Providers (>4 of 5 Medicare Providers)



Market
Leadership



Stars
Performance



Data &
Technology



Sustainability



Clinical
Engagement



Member
Experience

Improved quality and engagement

For the City's ~1,300 retirees and dependents on Medicare secondary plans with a typical chronic condition profile, UHC is projecting the following engagement and outcomes in Year 1 of the plan:

60

more women getting breast cancer screening

107

more retirees completing colon cancer screening

215

more retirees getting a flu vaccination each year

344

complete a HouseCall and receive an incentive reward

750

receive an annual care visit and receive an incentive reward

110

diabetics work 1:1 with a nurse or dietician

305

retirees get support during a transition in care

33

fewer people unnecessarily readmitted to the hospital



Is the juice worth the squeeze?



Pros

- Base savings of 25% for the City
- Base savings of 75% for the employee
- Employee deductible reduced dramatically - \$350 (PPO \$3,000; EPO \$1,500)
- Employee has zero premium
- Retiree saving of ~\$2,700 per annum
- Additional benefits not currently included (e.g. hearing aids, house calls, meal services, rewards program & Free Gym membership)
- Broader network
- Switch back to current plan if need arises
- Network alignment

Cons

- Resistance to change
- Negative news media coverage
- May result in higher Medicare Part D (pharmacy) cost to the City
- Not willing to provide us a quote for Part D due to the geopolitical climate
- Premium for year three unknown
- Additional outreach by the benefits team