

July 13, 2011

To: City of Milwaukee Employees and Retirees

From: Michael Brady

Re: Recommendation for Sustainable Health Care Benefits for City Employees and Retirees

There has been much discussion about the current health care benefits of the City of Milwaukee being sustainable over the long term for both employees and retirees. The net City costs have increased \$14M in 2010 and \$15M in 2011. Below is a plan to create a more sustainable benefit design that includes changes and premium contributions from active general city employees. These recommendations are made after careful consideration and discussion with the Budget Office regarding the ongoing financial challenges facing the City related to Act 10 and the State budget. The City health care plan benefits remain very comprehensive with employee cost-sharing below most private sector firms and in line with what public employees will pay. The City will continue to provide a robust pre-65 health benefit for retired City employees.

The recommendations would be effective January 1, 2012 for City employees: (*)

The City will receive a reduction of over \$14M in state revenue, and generally speaking will be unable to raise revenue through taxes. Major challenges in 2013 include meeting an expected \$50M contribution to the Employee Retiree System. The recommendations below are likely to reduce the total City net expenditures on health insurance from the estimated \$137M in 2011 to approximately \$110 to \$115M in 2012. The changes recommended are not made lightly. The control of future health care expenditures will mitigate the need for future benefit design changes.

The Department of Employee Relations will hold a televised meeting with employees on Wednesday July 13 at noon in Room 301-B and will make a copy of the presentation available on the City DER website so all employees can view the presentation. The same recommendations will be submitted for approval to the Finance and Personnel Committee on Wednesday July 20.

Recommendation #1. Employee Premium: All public employees in the state of Wisconsin will begin paying 12% of the total premium for their health care. This 12% is less than many private sector employees pay. Beginning January 1, 2012 active general City employees, including all civilian personnel within the Police and Fire departments, would pay 12% of their 2012 premium. When new labor contracts are negotiated with sworn employee unions it is anticipated they will also pay 12%. Sworn unions will continue to pay current premiums until new labor contracts are settled. The Building and Construction Trades Council (BCTC) and Local 494 Electrical Workers have contracts that extend into 2012, and will not pay the 12% until their contracts expire.

The employee premium would be charged based on a four-tier plan -- single, single adult with dependent/s, two adults and two adults with dependent/s. The City currently uses a two-tier system of single only and family. Employee premiums would be taken twice a month or 24 times per year in 2012. The City currently takes a single monthly deduction, or 12 per year.

Recommendation #2. Benefit Design: All City employees and retirees, both general city and sworn, will have new benefit design for both their HMO/BPO plan and their Basic Plan/PPO plan. The new benefit designs are described on the attached page.

HMO/EPO Plan: All preventive services as determined by the plan are covered at 100%. Changes to the plan include a \$500 deductible, a 90% co-insurance, and a \$1000 out of pocket maximum. The three-tier drug plan will change to \$5/\$25/\$50. The three tier plan is not part of the deductible, co-insurance or out of pocket maximum. Employees will have a \$150 co-pay for emergency room visits after they have satisfied their deductible, co-insurance and out-of-pocket maximum. This EPO plan will cover services in-network and will not cover services out of network.

Basic Plan/PPO Plan: All preventive services as determined by the plan are covered at 100%. Changes to the plan include a \$750 in-network deductible, a 90% co-insurance in-network, and a \$1500 in-network out of pocket maximum. The out-of-network deductible would be \$1500, the out-of-network co-insurance is 70% and the out-of-network out of pocket maximum is \$3000. This PPO plan will have a three tier drug plan, \$5/\$25/\$50, the same as the EPO plan. The drug co-pay is not part of the deductible, the co-insurance or the out of pocket maximum. This PPO plan will cover services in network and services out of network.

The City anticipates that these changes will help employees become better consumers of their health insurance. They will have the ability to work with their provider to identify the best services at the lowest cost. UnitedHealthcare will be able to work with employees to help them identify the best services at the lowest cost.

The City will continue to provide a three part comprehensive wellness effort through Froedtert Health Workforce Health at no direct cost to employees. Employees and their spouses who fail to complete the process within the timeline set by Workforce Health will have a monthly health assessment fee in 2012.

In a separate resolution DER is recommending that the City enter into a three-year contract with UnitedHealthcare to provide "Exclusive Provider Network" services (EPO) or HMO equivalent plan, that the City enter into a three year contract with UnitedHealthcare to provide Preferred Provider Organization services (PPO) or Basic Plan equivalent services, and that the City enter into a three year contract with Medco for prescription benefit services.

Recommendation #3, New Retiree Premiums: All general city employees, including civilian employees in the Police and Fire Department, would pay the same premium as active general city employees if they retire after January 1, 2012.

- Employees under 65 who go through regular retirement before their current labor contract expires will have a premium established by that labor contract.
- General City employees under 65 who go through regular retirement after their labor contract expires will pay the same as active general city employees (12% of their premium).
- New sworn retirees under 65 will have their retiree premiums established through current or future labor contracts.
- Medicare retirees will have the choice of the Basic Plan/City PPO plan as a type of Medicare supplement with the same benefit design as active employees with the in-network and out of network deductibles, co-insurance and out of pocket amounts.
- Medicare retirees will be able to chose the UHC Choice plan with the same benefit design as active employees, including the deductible, co-insurance and out of pocket maximum.

- Medicare retirees will have the opportunity to choose the UHC PPO plan with the current benefits (will not include deductible, co-insurance or out of pocket maximum).
- Medicare retirees will be able to select from the two plans provided through the Milwaukee Retiree Association (MRA) which are not sponsored or subsidized by the City.

Example of how a deductible, co-insurance and maximum out of pocket EPO plan works for a single adult with no dependents.

- Employee pays the first \$500 for services, excluding preventive which are covered at 100%
- Employee pays 10% co-insurance for the next \$5000 in costs of service, or \$500, while the City pays \$4,500.
- After paying \$1000, employee has reached out of pocket maximum, and the City, with the exception of emergency room visits, will pay 100% of any additional costs.
- Any out of network services are paid 100% by the employee and do not count toward the deductible, co-insurance or out of pocket maximum.
- Drug costs will be \$5/\$25/\$50 throughout the year and are not part of the deductible, co-insurance or out of pocket maximum.

Example of how a deductible, co-insurance and maximum out of pocket PPO in-network plan works for a single adult with no dependents.

- Employee pays the first \$750 for services in-network, excluding preventive which are covered at 100%.
- Employee will have a 10% co-insurance for the next \$7500 in services, or \$750, while the City pays \$6750.
- After paying \$1500, employee has reached their in-network out of pocket maximum, and with the exception of emergency room visits and the exception of separate out of network services, the City will pay 100% of additional in-network services.
- Drug costs will be \$5/\$25/\$50 co-pays throughout the year and are not part of the deductible, co-insurance or out of pocket maximum.

Example of how the deductible, co-insurance and maximum out of pocket PPO out-of-network plan works for a single adult with no dependents.

- If employee uses out-of-network provider for services, employee will have a separate \$1500 deductible associated with out of pocket providers, excluding preventive which are covered at 100%.
- Employee will have a 30% co-insurance for next \$5,000 in out-of-network services, or \$1500, while the City pays \$3,500.
- After paying \$3000 for out-of-network services, employee has reached their out-of-network out of pocket maximum and, with the exception of emergency room visits the City will pay 100% of additional out-of-network services.
- Drug costs will be a \$5/\$25/\$50 co-pay throughout the year and are not part of the deductible, co-insurance or out of pocket maximum.

Definition of Terms

Monthly Employee Premium:

- Amount paid monthly by each member, or member contribution.
- The Employee Benefits Division (EBD) is proposing an employee premium of 12% of the total premium.
- With few exceptions all public employees throughout the state will be paying 12% of the total cost of their premium.

Total Monthly Premium:

- Amount charged for an insured health plan, or used as the equivalent monthly cost of a self-funded plan.

Deductible:

- amount paid before health plan pays first dollars
- The EBD is proposing a \$500 deductible for the HMO type plan and a \$750 deductible for the Basic Plan. This means all services – provider visits, hospital visits, emergency room – are paid by the member till they reach \$500, with exception of prescription drug costs and preventive services.

Co-Insurance:

- Co-insurance is a specific percentage of the total cost of a service that is paid by member.
- The EBD is proposing a 10% co-insurance for the HMO style plan, which means that after an employee pays their \$500 deductible the employee would pay up to another \$500 out of pocket if their services reached a total of \$5000 (Employer would pay \$4500 / 90%). After the deductible and co-insurance the employee will reach their out of pocket maximum and the plan will pay at 100%.

Maximum out of Pocket:

- Beyond a certain contribution by the employee, services are covered at 100% by the employer or health insurance plan
- The City is proposing a \$1000 out of pocket maximum per person for the HMO style plan. After this, with exception of emergency room co-pay, medical costs would be paid at 100%.

Co-pays:

- Co-pays are specific dollar amounts that a member pays for a service.
- City employees would have a three-tier co-pay for drugs at \$5/\$25/\$50 in 2012 with both the HMO and the Basic Plan.

Steerage, In-Network and Out-of-Network:

- Steerage is used to direct employees to a network of providers or hospitals that have higher quality or lower cost, or are in a "network."
- Steerage typically means that an employer will pay a higher percentage for "in-network" service (90%) and a lower percentage (70%) for "out of network" services.
- The City is proposing steerage with the Basic Plan type benefit.
- The HMO type plan provides no out-of-network benefits with the exception of emergency room services.

Basic Plan/HMO comparison

Preventive Care:

Deductible in network

Deductible out of network

Hospital in network
(In-patient/out-patient)

Hospital out of network
(In-patient/out-patient)

Co insurance in network
(Office visits, non-hospital)

Co insurance out of network
(Office visits, non-hospital)

Out of pocket maximum in network

Out of pocket maximum out of network

Emergency Room visits

Drug co-pays

Employee Premium

Premium Tier structure

HMO Proposed benefits

Covered at 100%

\$500 single, \$1000 family

No coverage

90% after deductible

No coverage

90% after deductible

No Coverage

\$1000 single, \$2000 family

No coverage

Member has \$150 co-pay after deductible, out
of pocket maximum reached

\$5/\$25/\$50 co-pay

12% of projected cost monthly
(For General City)

Four tier

Basic Plan Proposed benefits

Covered at 100%

\$750 single, \$1500 family

\$1500 single, \$3000 family

90% after deductible

70% after deductible

90% after deductible

70% after deductible

\$1500 single, \$3000 family

\$3000 single, \$6000 family

\$150 after deductible and out of pocket
maximum reached

\$5/\$25/\$50 co-pay

12% of projected cost monthly
(For General City)

Four tier

SUMMARY OF HEALTH INSURANCE BENEFITS FOR CITY OF MILWAUKEE

NOTE: This summary is intended only to highlight your benefits and should not be relied upon to fully determine your coverage. The Summary Plan Description shall prevail.

Type of Coverage	CITY OF MILWAUKEE UHC CHOICE PLAN	CITY OF MILWAUKEE PPO UHC CHOICE PLUS PLAN (Replaces the Basic Plan)	
	Network Only Benefits	Network Benefits	Non-Network Benefits
1. Annual Deductible Individual Deductible Family Deductible	\$500 per year \$1,000 per year	\$750 per year \$1,500 per year	\$1,500 per year \$3,000 per year
2. Co-Insurance Each Member pays	10% up to \$500	10% up to \$750	30% up to \$1500
3. Out-of-Pocket Maximum Individual Out-of-Pocket Maximum Family Out-of-Pocket Maximum	\$1,000 per year \$2,000 per year	\$1,500 per year \$3,000 per year	\$3,000 per year \$6,000 per year
4. Benefit Plan coinsurance – Amount the Plan Pays	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
5. Lifetime Maximum	No Lifetime Maximum	No Lifetime Maximum	No Lifetime Maximum
6. Ambulance Services – Emergency & approved Non-Emergency	90% after Deductible met.	90% after Deductible met.	90% after Deductible met.
7. Autism Spectrum Disorder Services	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
8. Dental Accident/Oral Surgery Oral Surgery coverage is limited to 13 specific oral surgical procedures. (See end of benefit summary on pg.10).*	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
9. Durable Medical Equipment	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
10. Emergency Health Services	90% after Deductible met. \$150 copay after out-of-pocket maximum met.	90% after Deductible met. \$150 copay after out-of-pocket maximum met.	70% after Deductible met. \$150 copay after out-of-pocket maximum met.
11. Hearing Aids Benefits are limited to enrolled dependent children under 18, limited to one hearing aid per year, every 3 years	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
12. Home Health Care Benefits are limited to 40 visits per calendar year.	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
13. Hospice	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
14. Hospital – Inpatient Stay	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
15. Lab, X-Ray & Diagnostics - Outpatient	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
16. Mental Health Services	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
17. Nutritional Counseling	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
18. Physician Fees for Surgical & Medical Services	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
19. Physician Office Services – Sickness and Injury.	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
20. Preventive Care Services Includes Physician Office Visit, Lab, X-Ray or other preventive tests. Generally when a service is performed during your annual preventive care	100% Deductible does not apply	100% Deductible does not apply	Not Covered

SUMMARY OF HEALTH INSURANCE BENEFITS FOR CITY OF MILWAUKEE

NOTE: This summary is intended only to highlight your benefits and should not be relied upon to fully determine your coverage. The Summary Plan Description shall prevail.

Type of Coverage	CITY OF MILWAUKEE UHC CHOICE PLAN	CITY OF MILWAUKEE PPO UHC CHOICE PLUS PLAN (Replaces the Basic Plan)	
	Network Only Benefits	Network Benefits	Non-Network Benefits
For more information about preventive services that might be right for you, visit www.uhcpreventivecare.com			
21. Prosthetic Devices	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
22. Rehabilitation Services – Chiropractic Treatment	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
23. Rehabilitation Services – Outpatient Therapy Short-term outpatient rehabilitation for Physical therapy, Occupational therapy, Speech therapy, Pulmonary rehabilitation therapy, Cardiac rehabilitation therapy, and Respiratory therapy. 50 visit maximum per year for each necessary therapy.	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
24. Skilled Nursing Facility/Inpatient Rehabilitation Facility Services. 120 day maximum per inpatient stay.	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
25. Substance Use Disorder	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
26. Temporomandibular Joint Disorder Treatment (TMJ) Benefits are limited to \$1,250 per year for diagnostic procedures and non-surgical treatment.	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
27. Transplant Services	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
28. Urgent Care	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
29. Vision Care One routine vision exam at a Network provider every 2 years.	90% after Deductible met.	90% after Deductible met.	Not Covered.
30. Prescription Drug Benefits administered by MEDCO Retail Pharmacy – 30 day supply Mail Order – up to 90 day supply <i>(The prescription co-pays do not apply to the deductible, co-insurance or out of pocket maximum).</i>	\$5/\$25/\$50 copay \$10/\$50/\$100 copay	\$5/\$25/\$50 copay \$10/\$50/\$100 copay	Not Covered.
31. Dependent Coverage	Include employee's spouse; eligible dependent children, stepchildren, foster children, grandchildren (if the parent is an eligible dependent child under the age of 18), adopted children and children placed for adoption as mandated by the State or Federal government. Based on the recent federal health care reform, coverage for dependent children is through the end of the calendar year in which the dependent child or adult child turns 26, without regard to the adult child's school status, marital status or dependent status. There will be state imputed tax only, not federal imputed tax, if the adult child is not an IRS dependent.		

United Healthcare Oral Surgery is limited to the following 13 oral surgical procedures (see #8 above)

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Surgical removal of bony impacted teeth; 2. Excision of tumors, cysts of the jaws, cheeks, lips, tongue, roof of mouth when such conditions require pathological examination; 3. Surgical procedures required to correct accidental injuries of the jaws, cheeks, lips, tongue, roof and floor of mouth; 4. Apicectomy; 5. Excision of exostosis of jaws and hard palate; 6. Treatment of fractures of facial bones; | <ol style="list-style-type: none"> 7. External incisions and drainage of cellulitis; 8. Incision of accessory sinuses, salivary glands or ducts; 9. Gingivectomy; 10. Alveolectomy; 11. Frenectomy; 12. Removal of retained root; 13. Gingival and Apical curettage. |
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2012 Rate Chart For Active Employees

This Chart applies to all Employees whose positions are represented by any of the following units:
**GC Management; DC #48; NMNR; TEAM; Assc of Scient Pers; Assc of Muni Attys;
 SNC; Loc 510 IAM; Loc 494 Mach; Loc 75 Plumbers; Loc 195 Bridge Operators;
 Loc 139; Loc 61 Sanitation; ALEASP; Police Aides; Loc 494 FEDS**

HEALTH PLAN "EMPLOYEE RATE" INFORMATION

An employee will pay twice per month the rate listed below under "Employee Rate" for the plan selected.

CHART I - 2012 Employee HEALTH PLAN Payroll Contribution.

The "Employee Rate" will be deducted from the employee twice per month from the first and second paycheck.

HEALTH PLAN	¹ UHC CHOICE PLAN			² UHC CHOICE PLUS PLAN (Replaces the City's Basic Plan)		
	UHC CHOICE PLAN	City Share	Employee Rate	UHC CHOICE PLUS PLAN	City Share	Employee Rate
Single	\$ 311.98	\$ 274.54	\$ 37.44	\$ 396.84	\$ 349.22	\$ 47.62
Employee + Dependents	\$ 467.97	\$ 411.81	\$ 56.16	\$ 595.26	\$ 523.83	\$ 71.43
Employee + Spouse	\$ 623.96	\$ 549.08	\$ 74.88	\$ 793.68	\$ 698.44	\$ 95.24
Family	\$ 935.94	\$ 823.83	\$ 112.31	\$ 1,190.51	\$ 1,047.65	\$ 142.86

¹This is the HMO equivalent.

²This is the Basic Plan equivalent.

CHART II - 2012 Employee DENTAL PLAN Payroll Contribution.

The "Employee Rate" will be deducted from the employee twice per month from the first and second paycheck.

DENTAL PLAN	SINGLE PREMIUM	City Share	Single Employee Rate	FAMILY PREMIUM	City Share	Family Employee Rate
WPS/Delta Dental	\$ 12.48	\$ 6.50	\$ 5.98	\$ 43.10	\$ 18.75	\$ 24.35
Care-Plus	\$ 21.93	\$ 6.50	\$ 15.43	\$ 54.63	\$ 18.75	\$ 45.88
DentalBlue	\$ 23.63	\$ 6.50	\$ 17.13	\$ 70.89	\$ 18.75	\$ 52.14

DISCLAIMER: The benefit design and rate equivalents are subject to change by Common Council action.

NOTE: All rates/premiums and Employee Share amounts shown on this chart are shown as semi-monthly (twice per month) figures to reflect the fact that employee payroll deductions will take place twice per month, on the first and second paychecks of each month. Multiply the Rates/Premiums and Employee Share amounts by two (2) to calculate the full amounts.



Fire and Police Commission

Michael G. Tobin
Executive Director

Richard C. Cox
Chair

Carolina M. Stark
Vice-Chair

Kathryn A. Hein

Paol X. Lor

Sarah W. Morgan

Michael M. O'Hear
Commissioners

December 15, 2011

Alderman Willie L. Hines, Jr.
Common Council President
City Hall, Room 205
200 E. Wells Street
Milwaukee, WI 53202

Re: Milwaukee Police Association 2012 Salary and Compensation Reduction

Dear President Hines:

On December 15, 2011, the Fire and Police Commission (FPC) considered and reviewed the request of Labor Negotiator Troy Hamblin regarding a reduction in salary and compensation relative to employees represented by the Milwaukee Police Association (MPA) collective bargaining unit. The FPC had previously deferred action on this request pending ratification of the collective bargaining agreement by the MPA.

The FPC publicly noticed the review specifically with reference to "Reduction of Salary or Compensation for Members of the Milwaukee Police Association." Upon conclusion of the review, the Board of Fire and Police Commissioners approved a resolution to recommend to the Milwaukee Common Council a decrease in the salary and compensation commencing January 1, 2012 for members of the MPA. This resolution is applicable to a decrease up to and including the amounts identified in Mr. Hamblin's December 14, 2011 letter and its attachments appended to this correspondence and recorded in the official minutes and agenda documents of the FPC.

This resolution includes the following decreases and modifications as more specifically detailed in the December 14, 2011 correspondence and its attachments:

- Increases in health insurance payments including, but not limited to, co-insurance, in/out-of-network benefits, deductibles, drug co-payments, and emergency room co-payments.
- Up to 12% of the bimonthly group health coverage premium applicable to other active City employees for the particular plan choice and coverage type options applicable to the member, and up to 12% of any and all increases to such premiums that are established by the City for particular plan choices and coverage type options from time-to-time after January 1, 2012 for active City employees.

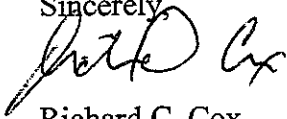
December 15, 2011

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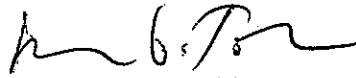
- Up to a maximum of \$20 per month over and above the 12% contribution specified immediately above for each adult who chooses not to fully participate in and complete annual Health Risk Assessments as part of the City's Wellness and Prevention Program.
- Reductions in certification pay for all employees.
- Elimination of the requirement the City provide a sweater to all employees.
- Elimination of certain payments received by some employees pertaining to specific levels of education credits.
- Reductions in salary for employees while they are in the Police Department Academy.

This correspondence serves as notification to the Milwaukee Common Council that the FPC has taken the actions described, subject to and in accordance with Section 62.50 (10) Wis. Stats.

Sincerely,



Richard C. Cox
Chairman



Michael G. Tobin
Executive Director

Att. 12/14/11 Letter w/ attachments from T. Hamblin

cc: Ald. Michael Murphy
Ronald Leonhardt
Troy Hamblin
Grant Langley, City Attorney



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

December 14, 2011

Board of Fire & Police Commissioners
200 East Wells Street, Room 706
City of Milwaukee

Dear Commissioners:

On December 9th, I wrote to you asking that you take up certain matters at your next meeting relative to employees represented by the Milwaukee Police Association (MPA). I attach a copy of that letter (without its attachments). I ask that in addition to your formally recommending to the Common Council each of the changes referenced in that letter, you also take the same action with respect to matters set forth in this letter.

As noted in my December 9th letter, and in letters I have sent to the Commission earlier this Fall, sec. 62.50(10), Stats., requires a prior written recommendation from the FPC before the Common Council can reduce either the "salary" or the "compensation" of members (sworn and unsworn) of the Fire or Police Departments. Because the term "compensation" is not defined in the statute (the scope of Sec. 62.50(10) is presently being litigated), the City Attorney's office has advised, as a precautionary measure and to avoid potential litigation and liability under a broad construction of the term, that the City seek a prior written recommendation from the Fire and Police Commission regarding any changes in the terms or conditions of employment for members of either department that could potentially be deemed to constitute a decrease in "compensation." Obtaining the Fire and Police Commission's recommendation of the following changes would ensure that no potentially viable challenge could be made by individual employees or their bargaining representatives under Sec. 62.50(10) if and when these changes are approved by the Common Council:

- Group Health Coverage Changes. The City intends to have all members of the Milwaukee Fire and Police Departments, as the City has done with other City employees, contribute more for health insurance benefits such as, but not limited to, co-insurance, in/out-of-network benefits, deductibles, drug co-payments, emergency room co-payments, etc., in accordance with the schedule included as Attachment A to this letter (showing amounts paid for covered services by the City and by plan participants under each of the two plan options).

As you may recall, in a letter dated October 18, 2011, I sought the FPC's written recommendation to the Common Council formally recommending the above-described changes (and other changes) for all members of the Fire Department and the Police Department, including members of the Milwaukee Police Supervisors Organization (MPSO) and the Milwaukee Professional Firefighters' Association, Local 215. In a letter dated October 21, 2011 (copy attached, without attachments), the FPC provided the written recommendation I had sought. I now respectfully request that the changes set forth in this letter and in my earlier December 9th letter to you be recommended by the FPC for all members of the Police Department represented by the Milwaukee Police Association. Additionally, I ask that a letter, signed by the Commission Chair and its Executive Director, confirming such recommendations by the PFC be provided to the Common Council before its meeting on December 20, 2011.

Sincerely,



Troy M. Hamblin
Labor Negotiator

SUMMARY OF HEALTH INSURANCE BENEFITS FOR CITY OF MILWAUKEE

NOTE: This summary is intended only to highlight your benefits and should not be relied upon to fully determine your coverage. The Summary Plan Description shall prevail.

Type of Coverage	CITY OF MILWAUKEE EPO UHC Choice Plan	CITY OF MILWAUKEE PPO UHC Choice Plus Plan (Replaces the Basic Plan)	
	Network Only Benefits	Network Benefits	Non-Network Benefits
1. Annual Deductible: Individual Deductible: Family Deductible:	\$500 per year: \$1,000 per year	\$750 per year: \$1,500 per year	\$1,500 per year: \$3,000 per year
2. Out-of-Pocket Maximum Individual Out-of-Pocket Maximum Family Out-of-Pocket Maximum	\$1,000 per year \$2,000 per year	\$1,500 per year \$3,000 per year	\$3,000 per year \$6,000 per year
3. Benefit Plan coinsurance - Amount the Plan Pays:	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
4. Lifetime Maximum	No Lifetime Maximum	No Lifetime Maximum	No Lifetime Maximum
5. Ambulance Services - Emergency & approved Non-Emergency:	90% after Deductible met.	90% after Deductible met.	90% after Deductible met.
6. Autism Spectrum Disorder Services	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
7. Dental Accident/Oral Surgery: Oral Surgery coverage is limited to 13 specific oral surgical procedures. (See end of benefit summary on pg.10).	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
8. Durable Medical Equipment	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
9. Emergency Health Services	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
10. Hearing Aids Benefits are limited to enrolled dependent children under 18, limited to one hearing aid per year, every 3 years	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
11. Home Health Care Benefits are limited to 40 visits per calendar year.	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
12. Hospice	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
13. Hospital - Inpatient Stay	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
14. Lab, X-Ray & Diagnostics - Outpatient	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
15. Mental Health Services	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
16. Nutritional Counseling	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
17. Physician Fees for Surgical & Medical Services	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
18. Physician Office Services - Sickness and Injury	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
19. Preventive Care Services Includes Physician Office Visit, Lab, X-Ray or other preventive tests. Generally when a service is performed during your annual preventive care visit, specifically for preventive screening, and there are no known symptoms, illnesses or history, the services will be considered for this benefit. For more information about preventive services that might be right for you, visit www.uhcpreventivecare.com .	100% Deductible does not apply	100% Deductible does not apply	Not Covered
20. Prosthetic Devices	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.

SUMMARY OF HEALTH INSURANCE BENEFITS FOR CITY OF MILWAUKEE

NOTE: This summary is intended only to highlight your benefits and should not be relied upon to fully determine your coverage. The Summary Plan Description shall prevail.

Type of Coverage	CITY OF MILWAUKEE RPO UHC Choice Plan	CITY OF MILWAUKEE PPO UHC Choice Plus Plan (Replaces the Basic Plan)	
	Network Only Benefits	Network Benefits	Non-Network Benefits
21. Rehabilitation Services – Chiropractic Treatment	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
22. Rehabilitation Services – Outpatient Therapy Short-term outpatient rehabilitation for Physical therapy, Occupational therapy, Speech therapy, Pulmonary rehabilitation therapy, Cardiac rehabilitation therapy, and Respiratory therapy. 50 visit maximum per year for each necessary therapy.	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
23. Skilled Nursing Facility/Inpatient Rehabilitation Facility Services 120 day maximum per inpatient stay.	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
24. Substance Use Disorder	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
25. Temporomandibular Joint disorder Treatment (TMJ) Benefits are limited to \$1,250 per year for diagnostic procedures and non-surgical treatments.	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
26. Transplant Services	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
27. Urgent Care	90% after Deductible met.	90% after Deductible met.	70% after Deductible met.
28. Vision Care One routine vision exam at a Network provider every 2 years.	90% after Deductible met.	90% after Deductible met.	Not Covered.
29. Prescription Drug Benefits administered by MEDCO Retail Pharmacy – 30 day supply Mail Order – up to 90 day supply	Tier 1: \$ 5.00 copay Tier 2: \$25.00 copay Tier 3: \$50.00 copay Tier 1: \$10.00 copay Tier 2: \$50.00 copay Tier 3: \$100.00 copay	Tier 1: \$ 5.00 copay Tier 2: \$25.00 copay Tier 3: \$50.00 copay Tier 1: \$10.00 copay Tier 2: \$50.00 copay Tier 3: \$100.00 copay	
30. Dependent Coverage	Include employee's spouse; eligible dependent children, stepchildren, foster children; grandchildren (if the parent is an eligible dependent child under the age of 18), adopted children and children placed for adoption as mandated by the State or Federal government. Based on the recent federal health care reform, coverage for dependent children is through the end of the calendar year in which the dependent child or adult child turns 26, without regard to the adult child's school status, marital status or dependent status. There will be state imputed tax only, not federal imputed tax, if the adult child is not an IRB dependent.		

United Healthcare Oral Surgery is limited to the following 13 oral surgical procedures (see #7 above)

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Surgical removal of bony impacted teeth 2. Excision of tumors, cysts of the jaws, cheeks, lips, tongue, roof of mouth when such conditions require pathological examination 3. Surgical procedures required to correct accidental injuries of the jaws, cheeks, lips, tongue, roof and floor of mouth 4. Apicoectomy 5. Excision of exostosis of jaws and hard palate 6. Treatment of fractures of facial bones 7. External incisions and drainage of cellulitis 8. Incision of accessory sinuses, salivary glands or ducts | <ol style="list-style-type: none"> 9. Gingivectomy 10. Alveolotomy 11. Frenectomy 12. Removal of retained roots 13. Gingival and Apical curettage. |
|---|---|



Fire and Police Commission

Michael G. Tobin
Executive Director

Richard C. Cox
Chair
Carolna M. Stark
Vice-Chair
Kathryn A. Hein
Paul X. Lor
Sarah W. Morgan
Michael M. O'Hear
Commissioners

October 21, 2011

Alderman Willie L. Hines, Jr.
Common Council President
City Hall, Room 205
200 E. Wells Street
Milwaukee, WI 53202

Re: Milwaukee Police Department and Milwaukee Fire Department 2012
Salary and Compensation

Dear President Hines:

On October 20, 2011, the Fire and Police Commission (FPC) considered and reviewed the request of Labor Negotiator Troy Hamblin regarding a reduction in salary and compensation as outlined in his letter dated October 18, 2011. The FPC publicly noticed the review specifically with reference to consideration of a reduction of department member salary and compensation.

Upon conclusion of its review, the Board of Fire and Police Commissioners approved a resolution to recommend to the Milwaukee Common Council a decrease in the salary and compensation in 2012 of sworn and non-sworn members of the Milwaukee Fire Department and the Milwaukee Police Department up to and including a decrease that is in accordance with Mr. Hamblin's October 18, 2011 letter, subject to and in accordance with sec. 62.50(10) Wis. Stats.

Sincerely,

Richard C. Cox
Chairman

Michael G. Tobin
Executive Director

Att. 10/18/11 Letter from T. Hamblin

cc: Ald. Michael Murphy
Mark Nicolini
Troy Hamblin
Grant Langley, City Attorney



Department of Employee Relations

Tom Barrett
Mayor

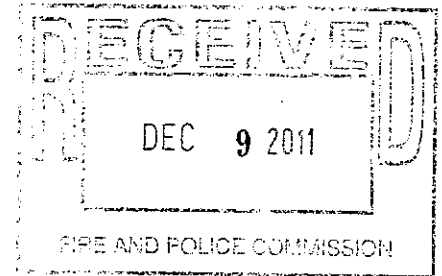
Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

December 9, 2011

Board of Fire and Police Commissioners
Fire and Police Commission
City Hall, Room 706A



Dear Commissioners:

I ask that you reconsider at your next meeting matters relative to the City's ratification process for collective bargaining agreements covering the years 2010-2012 with the Milwaukee Police Association (MPA). The Common Council's Finance and Personnel Committee is scheduled to act on the MPA bargaining agreement (file #110547) on December 14, 2011 with the Common Council taking final action on December 20, 2011.

Sec. 62.50(10), Stats., requires a prior written recommendation from the FPC before the Common Council can reduce either the "salary" or the "compensation" of members (sworn and unsworn) of the Fire or Police Departments. Because the term "compensation" is not defined in the statute (the scope of Sec. 62.50(10) is presently being litigated), the City Attorney's office has advised, as a precautionary measure and to avoid potential litigation and liability under a broad construction of the term, that the City seek a prior written recommendation from the Fire and Police Commission regarding any changes in the terms or conditions of employment for members of either department that could potentially be deemed to constitute a decrease in "compensation." Obtaining the Fire and Police Commission's recommendation of the following changes would ensure that no potentially viable challenge could be made by individual employees or their bargaining representatives under Sec. 62.50(10) if and when these changes are approved by the Common Council:

- Changes affecting MPA members:
 - Each member to pay, commencing January 1, 2012, up to 12% of the bi-monthly group health coverage premium applicable to other active City employees for the particular plan choice and coverage type (single, employee plus dependents, etc.) options applicable to the member, and up to 12% of any and all increases to such premiums that are established by the City for particular plan choices and coverage type options from time-

to-time after January 1, 2012 for active City employees. The maximum January 1, 2012 bi-monthly contribution rates for active City employees for the plan and coverage choice options available on January 1, 2012 are shown on Attachment A to this letter.

- Effective January 1, 2012, each member to contribute up to a maximum of \$20 per month over and above the 12% contribution specified immediately above for each adult (maximum of two, excluding dependent children) who chooses not to fully participate in and complete annual Health Risk Assessments as part of the City's Wellness and Prevention Program.

Please see Attachment B for additional information regarding the changes referenced below:

- Reductions in certification pay for all employees;
- Elimination of the requirement the City provide a sweater to all employees;
- Elimination of certain payments received by some employees pertaining to specific levels of educational credits;
- Reductions in salary for employees while they are in the Police Department Academy.

By this letter, I respectfully request that the Fire and Police Commission formally recommend to the Common Council each of the changes referenced above in this letter. Additionally, given the language of the statute, I ask that this Commission recommendation be communicated in writing to the Common Council through correspondence signed by the Commission's Chair and its Executive Director.

Sincerely,

Troy M. Hamblin

TROY M. HAMBLIN
Labor Negotiator

2012 Rate Chart For Active Employees

This Chart applies to all Employees whose positions are represented by any of the following units:

**GC Management; DC #48; NMNR; TEAM; Assc of Scient Pers; Assc of Muni Attys;
SNC; Loc 510 IAM; Loc 494 Mach; Loc 75 Plumbers; Loc 195 Bridge Operators;
Loc 139; Loc 61 Sanitation; ALEASP; Police Aides; Loc 494 FEDS**

HEALTH PLAN "EMPLOYEE RATE" INFORMATION

An employee will pay twice per month the rate listed below under "Employee Rate" for the plan selected.

CHART I - 2012 Employee HEALTH PLAN Payroll Contribution.

The "Employee Rate" will be deducted from the employee twice per month from the first and second paycheck.

HEALTH PLAN	¹ UHC CHOICE PLAN			² UHC CHOICE PLUS PLAN (Replaces the City's Basic Plan)		
	UHC CHOICE PLAN	City Share	Employee Rate	UHC CHOICE PLUS PLAN	City Share	Employee Rate
Single	\$ 311.98	\$ 274.54	\$ 37.44	\$ 396.84	\$ 349.22	\$ 47.62
Employee + Dependents	\$ 467.97	\$ 411.81	\$ 56.16	\$ 595.26	\$ 523.83	\$ 71.43
Employee + Spouse	\$ 623.96	\$ 549.08	\$ 74.88	\$ 793.68	\$ 698.44	\$ 95.24
Family	\$ 935.94	\$ 823.63	\$ 112.31	\$ 1,190.51	\$ 1,047.65	\$ 142.86

¹This is the HMO equivalent.

²This is the Basic Plan equivalent.

CHART II - 2012 Employee DENTAL PLAN Payroll Contribution.

The "Employee Rate" will be deducted from the employee twice per month from the first and second paycheck.

DENTAL PLAN	SINGLE PREMIUM	City Share	Single Employee Rate	FAMILY PREMIUM	City Share	Family Employee Rate
WPS/Delta Dental	\$ 12.48	\$ 8.50	\$ 5.98	\$ 43.10	\$ 18.75	\$ 24.35
Care-Plus	\$ 21.93	\$ 6.50	\$ 15.43	\$ 64.63	\$ 18.75	\$ 45.88
DentalBlue	\$ 23.63	\$ 6.50	\$ 17.13	\$ 70.89	\$ 18.75	\$ 52.14

DISCLAIMER: The benefit design and rate equivalents are subject to change by Common Council action.

NOTE: All rates/premiums and Employee Share amounts shown on this chart are shown as semi-monthly (twice per month) figures to reflect the fact that employee payroll deductions will take place twice per month, on the first and second paychecks of each month. Multiply the Rates/Premiums and Employee Share amounts by two (2) to calculate the full amounts.

**Summary of Wage and Fringe Benefit Modifications
In the 2010 – 2012 Agreement
Between the
City of Milwaukee (City)
and the
Milwaukee Police Association**

1. Article 1, Duration: Three year, January 1, 2010 through December 31, 2012
2. Article 10, Base Salary:
 - (a) Effective Pay Period 1, 2011, increase the biweekly rates of pay by \$19.18 (\$500 annually) with corresponding reductions in 2011 Certification Pay payments.
 - (b) All newly hired Police Officers shall be paid at the academy step which shall be 75% of step 1 of Pay Range 801 (this shall not be applied to the recruit class that started Oct 17, 2011).
 - (c) Effective Pay Period 1, 2012:
 - Include education pay in base salary for those that are eligible and increase biweekly rates of pay as follows:
 - i. Associate's Degree or 64 credits - \$15.34 (\$400 annually)
 - ii. Bachelor's Degree – \$34.52 (\$900 annually)
 - iii. Master's Degree or Higher - \$42.19 (\$1,100 annually)
which shall also be increased by the below listed across the board increases
 - Increase the biweekly rates of pay for Pay Range 801 by \$22.13
 - A 2.20% across the board wage increase over Pay Period 26, 2011 wage rates
 - (d) Effective Pay Period 14, 2012, a 1.35% across the board wage increase over Pay Period 13, 2012 wage rates.
3. Article 21, Health Insurance:
 - (a) At the beginning of the Article insert the following: Certain items contained in this Article are currently under litigation.
 - (b) Effective January 1, 2012, active employees shall contribute 12% of the Health Insurance Premium payment for the plan selected.
4. Article 33, Uniform and Equipment:
 - (a) Add the following to 1. a.: (3) Effective upon the execution date of the Agreement, a Uniform Outer Carrier shall be included in the initial issue, which shall replace the initial issue of a sweater.
 - (b) 1.b.(1)(a) replace sweater with Uniform Outer Carrier

5. Article 39, Educational Program:
 - (a) Effective for calendar year 2012 payments eliminate Educational Pay payments made to employees in section 1. After the payments for calendar year 2011 (made in 2012), there shall be no Educational Pay payments.
 - (b) Update entire article as needed

6. Article 62, Parking Allowance Benefits for Police Administration Building Employees:
 - (a) Redraft entire Article removing any reference to car pool parking allowance and eliminate any references to specific parking allowance rates.
 - (b) Eligible employees shall receive parking allowance at rates current at time of reimbursement request.

7. Article 68, Certification Pay:
 - (a) Effective for calendar year 2011 payments (paid in 2012), Certification Pay shall be reduced to \$500.

8. Two Memoranda of Understanding agreed to and signed by the parties:
 - (a) The City agrees to hire 100 Police Officers between the execution date of the 2010-2012 Agreement and December 31, 2012.
 - The 2012 class shall start no later than August 15, 2012
 - (b) Employees in the classification of Detective upon the execution date of the 2010-2012 Agreement shall be allowed to participate in the testing process for Lieutenant positions regardless of supervisory experience or lack thereof. Identified individuals currently holding the rank of Detective shall be considered 'grandfathered' as to all such subsequent testing opportunities to/for the rank of Lieutenant.

9. Update language and dates and delete any obsolete language.

10. All other article shall remain Status Quo.