

July 16, 2007

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

File 070447, City of Milwaukee Basic Plan Projected Rates for 2008

Dear Alderman Murphy:

The City of Milwaukee 2008 rate projections for the Basic Plan, prepared by Willis National Actuarial Practice are attached along with the rate sheets for Active employees (general city), active employees (management) and rate sheet 1 for retirees. The rate calculation has resulted in a 7.2% increase in 2008 rates compared to the 2007 rates for actives and retirees. The rate sheets reflect this change.

In 2008, management employees will have the low cost HMO, United Healthcare (UHC), a Basic Plan and the Basic Plan Tier 1. General City employees will have the low cost HMO, UHC and the Basic Plan. The represented have a fixed cost for the Basic Plan and are not offered the Basic Plan Tier 1. There are additional rate sheets for other groups.

The attached Retiree Rate Sheet 1 would apply primarily to those retirees over 65 with Medicare. The 2008 rates are indicated on the rate sheet, as well as the 2007 rates in the box below the 2008 rates. There are additional rate sheets for other groups based on their date of retirement or union group or status as duty disability retiree.

The City is in the third year of a three-year contract with CMS to provide third-party-administrative services for the Basic Plan, and the third year of a three-year contract with Navitus Health Solutions to provide prescription benefit management services.

Please contact me at mbrady@milwaukee.gov or 286-2317 if you have any questions or comments regarding this information.

Sincerely,
Michael Brady
Employee Benefits

Attachments: Report from Willis National Actuarial Practice
Rate sheets for active and retired employees