

August 27, 2015

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

File No: 150623 Communication regarding rates for 2016 Health and Dental Benefits

Dear Alderman Kovac and Finance Committee Members:

The City of Milwaukee provides health benefits and prescription drug benefits to all eligible active and retired employees. The City also provides dental benefits to eligible active employees. This communication shares the employer and employee cost of those benefits for 2016 as prepared by an actuary at Willis.

The Finance & Personnel Committee and full Common Council approved file 150302 a resolution authorizing the process for preparing the 2016 rates for health and dental benefits. Willis of Wisconsin prepares the rates for health based on past utilization, experience, health care trend, benefit design and future projections. This file communicates those rates.

The rates, which have been flat for 2012, 2013, 2014 and 2015, will continue to be flat in 2016 with the exception of Medicare Retirees. The attached report indicates the projected rates for 2016 for all active and retired plans, including the rates for active employees with the new High Deductible Health Plan (HDHP). The employee efforts engaging in wellness and better utilization of health care services made a difference and limited any increases over the past five years. The ongoing participation in wellness and healthy behaviors will continue to have a positive impact.

A two page projected rate summary prepared by Willis of Wisconsin for active employees and a two page projected rate summary for retired employees is attached to this file.

Please contact me if you have any additional comments or questions regarding this file.

Sincerely,

Michael Brady,
Employee Benefits
CC: Maria Monteagudo, DER
Deborah Ford, Labor
Renee Joos, DER
Ellen Tangen, City Attorney's Office
Dennis Yaccarino, Budget Office