



## Department of Employee Relations

September 9, 2020

Alderman Michael Murphy, Chairman  
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

### **200335 Resolution Outlining Process and Communication of 2021 Healthcare and Dental Rates**

Dear Alderman Murphy 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 file shares the process used to determine the employer and member cost of 2021 healthcare and dental benefits, as well as the final premium rates.

The Department of Employee Relations (DER) works with its benefits consultant, Gallagher Benefits Services to determine 2021 employee health and dental benefit rates and retiree health rates. Gallagher analyzes current health plan utilization and experience data provided by OptumRx and UnitedHealthcare along with medical inflationary trends and the City's health plan benefit design to project the 2021 rates. A process which includes current health and pharmacy data allows the City to provide more accurate rates for 2021, including the City and member share of the total premium cost.

Active employee healthcare rates will increase 4.3% in 2021. The monthly employee premium for a UHC EPO Choice single plan will increase from \$83 to \$87 and from \$250 to \$261 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. From 2012 through 2020, employee healthcare premium rates have increased 11.4% while the cost of medical care has increased 6% or more every single year during that same time period. Employees' continual engagement and participation in the City's comprehensive wellness program have significantly mitigated health plan premium increases the City experienced prior to the implementation of that program.

Early retiree healthcare rates are increasing in 2021 based on utilization experience along with medical and prescription drug trends for this group. Rates for retirees under age 65 will increase



6.0% with a member's monthly premium for a UHC EPO Choice single plan increasing from \$130 to \$138. Medicare retiree (age 65 and above) rates will decrease 6.0% with a member's monthly premium for a UHC PPO Choice Plus single plan decreasing from \$326 to \$307.

The attached healthcare rate projection summaries prepared by Gallagher reflect the premium numbers for actives, retirees under 65 and Medicare retirees. In addition, rates charts are also provided for active employees and retirees.

In 2021, there will be no increase to Delta Dental EPO and PPO rates and CarePlus dental plan rates will decrease 5% for 2021. The dental rates offered by both Delta Dental and CarePlus are guaranteed for two years through December 31, 2022.

Approval of this resolution allows the DER to finalize and start communicating 2021 health and dental premium rates in time for the fall open enrollment period.

I am happy to answer any questions or comments regarding this file.

Sincerely,  
Renee Joos  
Employee Benefits

