

July 21, 2008

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

Dear Alderman Murphy:

RE: Management Employee Health Changes, File #080372

DER, Employee Benefits, proposes changes to management employee benefits that would be consistent with the recent labor contracts approved by Local 215 and MPA. These changes include:

- Co-pay for an office visit of \$10 with the HMO plan, in 2009 UHC Choice, effective January 1, 2009. Management employees currently have no co-pay for office visits.
- An increase in the emergency room co-pay from \$25 to \$50 with the HMO plan, in 2009 UHC Choice, effective January 1, 2009.
- A three-tier co-pay for prescription drugs with the HMO plan, in 2009 UHC Choice, of \$5, \$17 and \$25 for generic, formulary brand and non-formulary brand effective January 1, 2009. Management employees with the HMO plan currently have a 20% co-insurance.
- A monthly premium with the low cost HMO, in 2009 UHC Choice, of \$20 single and \$40 family effective January 1, 2009. Management employees currently have no monthly premium for the low cost HMO plan.
- Incentives and disincentives for management employees with both the Basic Plan and the HMO plan would begin in 2009 after the health risk assessments are offered. An increase in HMO premiums to \$30/\$60, an increase in Basic Plan premium to \$85/\$170 would begin after members have an opportunity to take the health risk assessment. Those completing the health risk assessment and not smoking would have their HMO premiums return to \$20//\$40 or their Basic Plan premiums return to \$75/\$150. Those who do not complete the health risk assessment would pay an additional \$20 single, \$40 family for either the HMO or the Basic Plan. Those members who smoke would pay an additional \$10 single \$20 family if they complete the health risk assessment.

Please contact me if you have any questions or comments regarding these 2009 changes for management employees. The file will be at the Finance and Personnel Committee on Wednesday, July 23, 2008.

Sincerely,

Michael Brady
Employee Benefits

Attachments: Fiscal Note
File for 080372