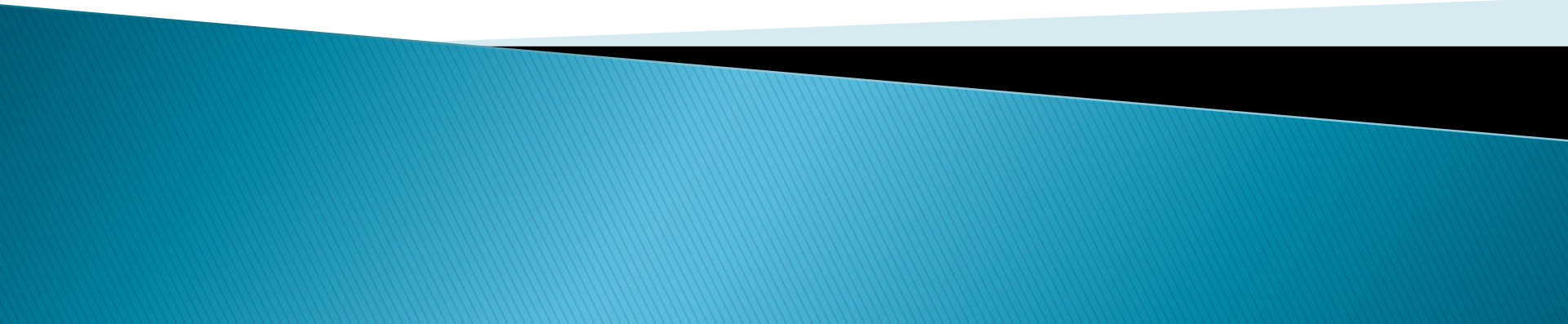


City of Milwaukee 2015 Proposed Healthcare Changes

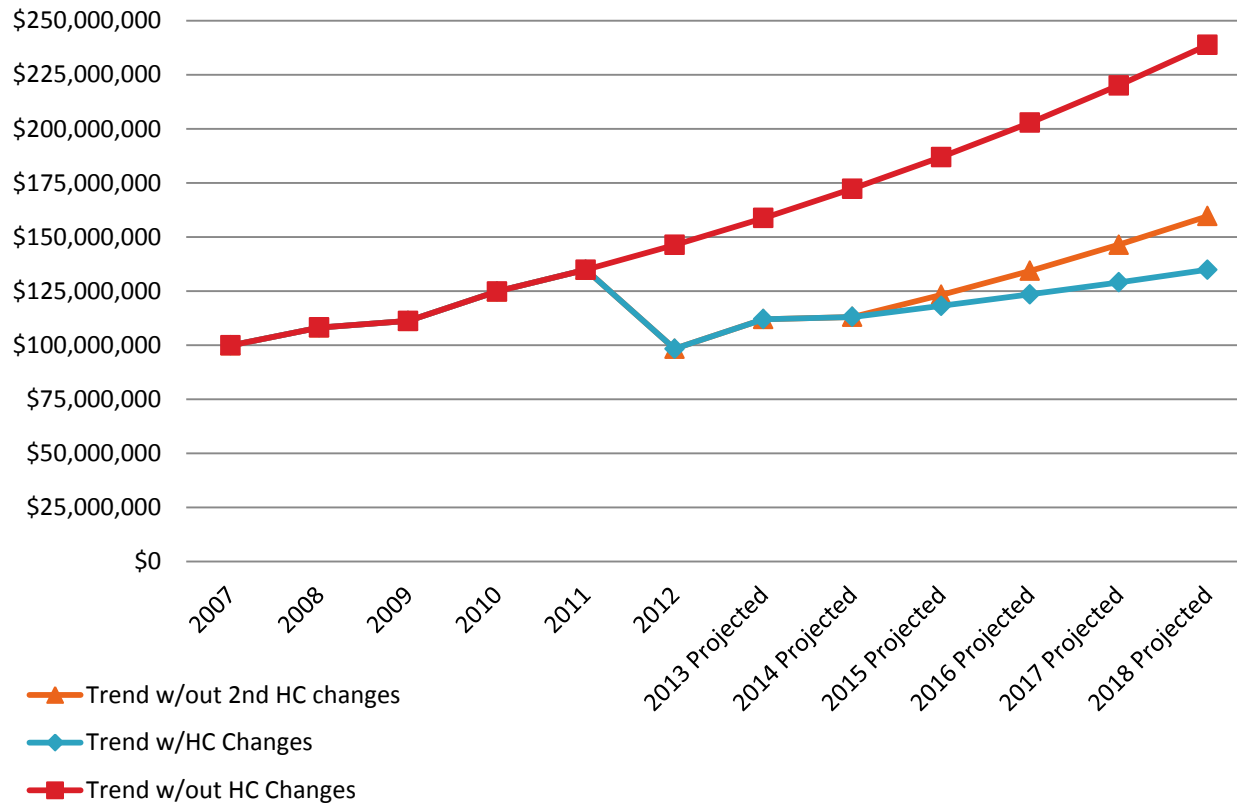


Healthcare Expenditure Update

	2011 Expenditures	2012 Expenditures	2013 Expenditures	2014 Projected Expenditures	2015 Budget Request
Basic/PPO	\$19,132,094	\$14,124,162	\$13,400,000	\$10,000,000	\$11,000,000
HMO/EPO	\$111,113,165	\$78,266,451	\$93,000,000	\$95,800,000	\$97,000,000
Dental	\$1,917,162	\$2,178,102	\$1,900,000	\$2,200,000	\$2,200,000
Admin	\$6,674,781	\$7,439,687	\$7,800,000	\$10,000,000	\$6,600,000
Wellness					\$3,200,000
HC Expenditures	\$138,837,201	\$102,008,402	\$116,100,000	\$118,000,000	\$124,000,000*
HC Budget	\$144,782,330	\$116,200,000	\$118,700,000	\$109,986,685	\$120,000,000

- 2015 Budget Request includes \$4M in savings from benefit design changes
- *Without the proposed design changes, projected healthcare expenditures for 2015 are \$124,000,000

Healthcare Expenditures



Recommended 2015 City Benefit Design Changes Help Employees make Good Health Decisions

- ▶ **Increase Deductibles, Co-insurance and Out of Pocket Maximum in 2015**
 - Deductibles increase to \$750 for UHC Choice single
 - Co-insurance increases to \$750 or 30% for UHC Choice single
 - Use of Tier 1 providers keeps co-insurance at current 10% level
 - Higher quality physicians with more reasonable costs
 - Out-of-pocket Maximum changes to \$1,500 for UHC Choice single
- ▶ **Change ER visit to \$200 co-pay,**
 - Part of out of pocket maximum
 - Not part of deductible or co-insurance
- ▶ **Change to Drug Co-insurance at 20%, from 3 tier co-pay**
 - Include minimum of \$4 and maximum of \$75
 - Use of generic drugs reduces cost from \$5 to \$4 co-insurance minimum for 60% of all scripts (scripts under \$25)

Recommended 2015 City Benefit Design Changes Help Employees make Good Health Decisions

- ▶ **“Pilot” Nurse Practitioner Program at City Hall complex**
 - Available 20 hours per week for appointments and walk-ins
 - Diagnosis and treatment for minor illnesses and injuries
 - All employees and spouses/partners can utilize
 - No co-pays or co-insurance for appointments
 - Would start as soon as feasible
- ▶ **Active Premium Projections for 2015**
 - Comparable to 2012 and 2014 premium costs for UHC Choice
- ▶ **Change Healthy Rewards HRA award from \$150 to \$250 per participant**
 - Employees/Spouses who choose to participate and earn 100 points can offset deductible increase with \$250/\$500 HRA
 - Looking to expand opportunities to earn points for next year
- ▶ **No Changes in 3-Step Wellness Program in 2015**
 - Will include same health assessment fee for non-participation

2015 HC Benefit Design Changes

Benefit Design Components	Current Choice/EPO Benefits	2015 Choice/EPO Proposed Benefits
Deductible*	\$500 Single/\$1,000 Family	\$750 Single/\$1,500 Family
Co-Insurance*	10% or \$500 per member	10% Premium Providers/30% Non-Premium Providers
Out-of-Pocket Maximum*	\$1,000 Single/\$2,000 Family	\$1,500 Single/\$3,000 Family
Emergency Room Visits	\$150 co-pay once deductible/out of pocket max met	\$200 Co-Pay for Each Visit
Drug Co-Pays	\$5/\$25/\$50 Co-Pay	20% Co-insurance with \$4 Min/\$75 Max
Onsite Nurse Practitioner	None	20 hrs per Week, No Cost to Participant
Healthy Rewards/Wellness HRA	\$150 per Participant (\$150 Single/\$300 Family)	\$250 per Participant (\$250 Single/\$500 Family)

Benefit Design Components	Current Choice Plus/PPO Benefits	2015 Choice Plus/PPO Proposed Benefits
Deductible*	\$750 Single/\$1,500 Family	\$1,500 Single/\$3,000 Family
Co-Insurance*	10% or \$500 per member	10% Premium Providers/30% Non-Premium Providers
Out-of-Pocket Maximum*	\$1,500 Single/\$3,000 Family	\$3,000 Single/\$6,000 Family
Emergency Room Visits	\$150 co-pay once deductible/out of pocket max met	\$200 Co-Pay for Each Visit
Drug Co-Pays	\$5/\$25/\$50 Co-Pay	20% Co-insurance with \$4 Min/\$75 Max
Onsite Nurse Practitioner	None	20 hrs per Week, No Cost to Participant
Healthy Rewards/Wellness HRA	\$150 per Participant (\$150 Single/\$300 Family)	\$250 per Participant (\$250 Single/\$500 Family)

**In Network*

Healthcare Enrollment Data

Healthcare Plan	2011	2012	2013	2014	% Change Over Prior
Active Choice (EPO)	5,564	5,191	5,353	5,343	-.2%
Active Choice Plus (PPO)	646	520	510	386	-24.3%
Total Active	6,210	5,711	5,863	5,729	-2.3%
Retiree Choice (EPO)	1,836	1,811	1,849	1,850	0.1%
Retiree Choice Plus (PPO)	2,456	2,288	2,177	2,041	-6.2%
Total Retiree	4,292	4,099	4,026	3,891	-3.4%
TOTAL	10,502	9,810	9,889	9,620	-2.7%
*Active Enrollment as % of FTEs	85%	78%	82%	79%	-3.1%

*Employee's that waive insurance because their spouse works for the city and has HC coverage totals approximately 200 which adds 3% to the active enrollment as a % of FTEs

Questions?