

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: Retiree Health Benefits Options in 2009, File #080491

DER, Employee Benefits, in cooperation with the Employee Retirement System and the City Attorney's Office is proposing consideration of an additional retiree medical plan in 2009 for those that are in category one with medicare or category two with medicare to provide an option that lower the monthly premium but maintains the current benefit levels.

In addition to the two plans offered to active City employees – the City Basic Plan, administered by Anthem and the City HMO plan administered as the UHC Choice Plan -- DER would request permission to negotiate an additional plan under the Medicare program.

The UHC Secure Horizons program has proposed a "Medicare Complete Plan" that would provide the same benefits as the UHC Choice plan, a broader network of providers and a retiree premium \$72 less than the UHC Choice Plan.

Over the past years some City retirees have selected a Secure Horizons Medicare Complete or a Humana Gold Advantage plan that provide a \$0 monthly premium (Secure Horizons) or a \$110 monthly premium (Humana Gold Advantage) which is lower than the City retiree premiums with a specific network of providers and different benefits. The lower premium has been based on different benefits. The City currently does not provide a 25% subsidy or sponsor these other benefit plans. City retirees are allowed to take on of these alternate plans and return to the City plans during open enrollment. The City would not subsidize or sponsor these plans in the future, but would continue to allow City retirees to take them.

Under this new proposal the City would only provide a subsidy based on the fact that the benefits are the same and the network is the same or larger, and the monthly premium for the retiree is lower than the current UHC Choice Plan.

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

Sincerely,

Michael Brady
Employee Benefits

Attachments: Fiscal Note 080491
File for 080491