

TO: Common Council

FROM: Greg Leifer, Employee and Labor Relations Manager

DATE: July 14, 2015

RE: Health Care Plan Design Modification

The City of Madison participates in the Wisconsin Public Employer Group Health Insurance program (Plan) administered by the State Department of Employee Trust Funds and overseen by the Group Insurance Board. The Plan allows employers to choose whether to participate in what is referred to as Program Option 4: Deductible Uniform Benefits Option paired with the Deductible Standard PPO. Currently, the City offers Program Option 2: Traditional or Full Pay Uniform Benefits Option paired with a Standard Preferred Provider Organization (PPO) Plan, which has no deductible or coinsurance, to all employees.

The uniform schedule of benefits offered under each option is identical; however, Option 4 includes an annual deductible of \$500 for individual plans and \$1,000 for family plans that applies to all services, except certain preventive services and prescription drugs. Preventive care is generally covered at 100% with no deductible. The attached resolution will allow the City to move all bargaining units/employee groups into the deductible program option.