

TO: Board of Estimates

FROM: Greg Leifer- Employee/Labor Relations

DATE: July 30, 2014

RE: Health Care Plan Design Modification

The City of Madison participates in the Wisconsin Public Employers 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 Coinsurance HMO Program Option 6 paired with Standard PPO Addendum. Currently, the City offers the traditional option with no coinsurance, to all employees.

The Group Insurance Board made a change in August of 2011, effective with the 2012 plan year, that allows employers to divide participation in the traditional and deductible options' based on bargaining unit/employee group. The uniform schedule of benefits offered under each option is identical. However, under the coinsurance option employees will be required to pay 10% of the first \$500.00 of the costs of services for single plan, or 10% of the first \$1000.00 of costs for services for the family plan. Preventative care is generally covered at 100% with no coinsurance. The attached resolution will allow the City to move certain bargaining units/employee groups into the coinsurance option.