

	2017 Projection - County	2017 Projection - Willis	2018 Budget County	2018 Projection Willis
Medical Costs	\$ 58,546,000	\$ 61,709,040	\$ 64,794,492	\$ 66,340,377
Drug Costs	\$ 35,622,000	\$ 37,381,049	\$ 38,447,560	\$ 41,164,773
Drug Rebates	\$ (15,221,215)	\$ (13,973,207)	\$ (13,973,207)	\$ (13,571,330)
Medicare Advantage	\$ 4,169,074	\$ 4,169,074	\$ 4,413,349	\$ 4,841,760
Health Ins Admin	\$ 5,747,417	\$ 5,747,417	\$ 5,334,007	\$ 5,260,450
Employee FSA Contribution	\$ 2,896,430	\$ 1,004,466	\$ 1,154,500	\$ 1,541,500
Employee Health Premium	\$ (6,144,294)	\$ (6,644,294)	\$ (7,365,208)	\$ (6,376,240)
	<u>\$ 85,615,412</u>	<u>\$ 89,393,545</u>	<u>\$ 92,805,493</u>	<u>\$ 99,201,290</u>



9401 James Avenue South
Suite 140
Bloomington, MN 55431

June 21, 2017

The Retirement Board
Employees' Retirement System of the County of Milwaukee
901 N. 9th St.
Milwaukee, WI 53233

Certification of Actuarial Valuation

Dear Ladies and Gentlemen:

This report presents the results of the annual actuarial valuation of the Employees' Retirement System of the County of Milwaukee as of January 1, 2017. The valuation takes into account all of the promised benefits to which members are entitled as of January 1, 2017, including pension and survivor benefits; and as required by the Retirement Code is the basis for the Budget Contribution for fiscal year 2017.

The valuation was based on the actuarial assumptions and methods as adopted by the Board of Trustees, including a valuation interest rate of 8% per annum compounded annually. Based on our recommendations in November 2012, the Board adopted revised actuarial assumptions effective with the January 1, 2013 valuation.

Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, you should ask Conduent to review any statement you wish to make on the results contained in this report. Conduent will not accept any liability for any such statement made without prior review by Conduent.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. Because of limited scope, Conduent performed no analysis of the potential range of such future differences.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the Plan and reasonable long-term expectations, and represent our best estimate of the anticipated long-term experience under the Plan. The actuary performs an analysis of Plan experience periodically and recommends changes if, in the opinion of the actuary, assumption changes are needed to more accurately reflect expected future experience. The Experience Study for the period January 1, 2007 to December 31, 2011 was prepared by Conduent and approved by the Board for use beginning with the January 1, 2013 actuarial valuation and will remain in effect for valuation purposes until such time as the Board adopts revised assumptions. The next Experience Study will be based on the period from January 1, 2012 to December 31, 2016 and upon approval by the Board will be the basis of valuations performed from January 1, 2018 through January 1, 2022. A summary of the actuarial assumptions and methods used in this actuarial valuation are shown in Table 18.

Where presented, references to "funded ratio" and "unfunded accrued liability" typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the plan if the plan were to settle (i.e. purchase annuities) for a portion or all of its liabilities.

Assets and Membership Data

The Retirement System reported the individual data for members of the System as of the valuation date to the actuary. For 2017 we received the data in multiple files. Missing information was updated with either supplemental information sent or by using assumptions based on the prior year's data. While we did not verify the data at their source, we did perform tests for internal consistency and reasonableness. The amount of assets in the trust fund taken into account in the valuation was based on statements prepared for us by the Retirement System.

Funding Adequacy

The 2016 valuation performed last year resulted in an Actual Funding Contribution of \$63,067,396 against which \$51,297,571 in County contributions and \$12,619,906 in Member contributions (adjusted for interest as shown in Table 11) were actually contributed. The County contributions above include a MyChoice contribution of \$2,918,641, which will not be reflected in the calculation of any contribution variance. The net effect of these contributions established a contribution surplus for 2016 that is amortized over five years beginning January 1, 2017. The amortization of the additional MyChoice contribution will be amortized over 20 years beginning January 1, 2017.

The Actual Funding Contribution for 2017, based on the results of this valuation, is \$65,799,451. It is expected that \$65,991,000 (\$65,991,000 in expected contribution plus \$0 interest) will be contributed during 2017 on behalf of the 2017 plan year. The surplus in contributions of \$191,549 will be amortized over five years beginning January 1, 2018.

Budget Contribution

The 2018 Budget Contribution, expected to be contributed in 2018, is \$72,194,000. Please note that this amount reflects a change in the discount rate from 8.00% to 7.75%, effective January 1, 2018.

Financial Results and Membership Data

Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the valuation report. The actuary prepared supporting schedules and required supplementary information included in the County of Milwaukee Annual Report of the Pension Board.

Compliance with Actuarial Standards of Practice

Except as specially noted otherwise, the work in this report was performed in accordance with all applicable Actuarial Standards of Practice.

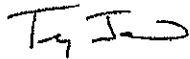
Qualifications

The undersigned actuaries are members of the American Academy of Actuaries and are experienced in performing actuarial valuations of public employee retirement systems. To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with applicable Actuarial Standards of Practice. We are members of the American Academy of Actuaries and meet the Academy's qualification standards to issue this Statement of Actuarial opinion and are available to answer questions about it.

Sincerely,



David L. Driscoll, FSA, EA, MAAA, FCA
Principal, Consulting Actuary



Troy Jaros, FSA, EA, MAAA, FCA
Senior Consultant, Retirement Actuary

Conduent HR Services



Milwaukee County Retirement Plan Services

Amy Pechacek, Interim Director

901 N. 9th Street, Courthouse, Room 210-C

Milwaukee, WI 53233

(414) 278-4207 (877) 652-6377

www.County.Milwaukee.Gov/Retirement

June 30, 2017

Mr. Chris Abele
 County Executive
 Milwaukee County Employees' Retirement System
 901 North Ninth Street, Room 306
 Milwaukee, WI 53233

Re: County Contribution to the Employees' Retirement System and OBRA 1990 Retirement System

Dear Mr. Abele:

This letter is being provided in accordance with the provisions of Section 201.24(3.1) of the County Ordinance ("CO") that governs the Employees' Retirement System and County Board File No. 97-155 that was adopted by the County Board in February 1997. This letter should be referred to the Committee on Finance, Personnel and Audit.

The actuary has completed the annual review of the Pension Fund as of December 31, 2016, and has determined that the actual County obligation for 2017 is \$66,603,732. It is anticipated that a County contribution of \$66,824,000 will be paid for 2017. A break-down of these amounts is as follows (assuming that no Bi-weekly contributions are anticipated to be made as of this time):

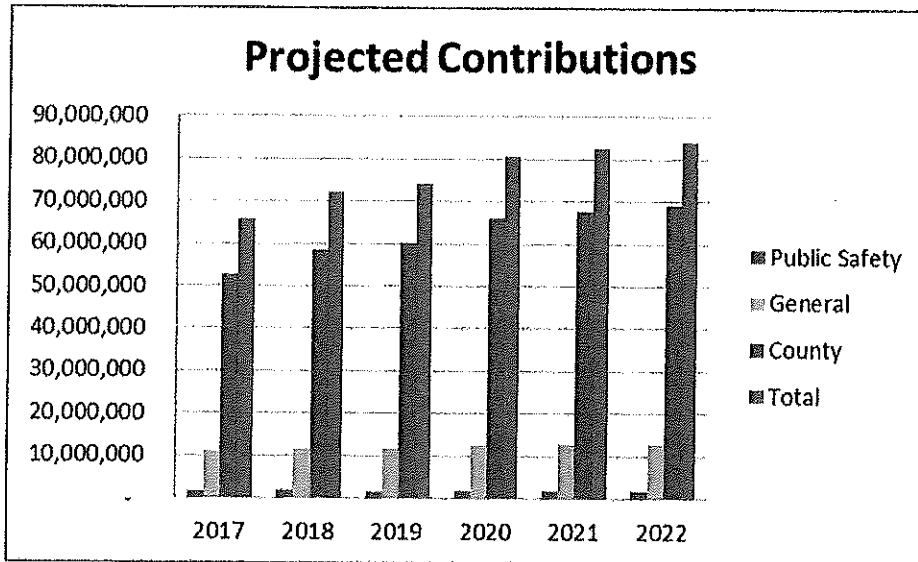
<u>Plan</u>	<u>Actual 2017 Obligation</u>	<u>Expected Contribution Credit</u>	<u>Type of Contribution Credit</u>	<u>Variance</u>
ERS		\$65,991,000	Lump Sum	
		0	Bi-weekly	
		0	Interest	
ERS Subtotal	\$65,799,451	\$65,991,000		\$(191,549)
OBRA	804,281	833,000	Lump Sum	(28,719)
Grand Total	\$66,603,732	\$66,824,000		\$(220,268)

The actuary has estimated that the 2018 County Budget should include a total of \$73,030,000 for the County's 2018 gross Pension Fund obligation (including employee contributions). This amount includes:

\$ 72,194,000	Employees' Retirement Plan
<u>836,000</u>	OBRA Pension Plan
\$ 73,030,000	Grand Total

The actuarial assumptions and plan provisions used for the 2017 actual calculation are the same as those used for the 2016 actual calculations. For the 2018 budget calculation, a base for unexpected change in UAAL during 2017 is added amortized over 20 years. There is also a base added for changing the discount rate from 8.00% to 7.75% effective January 1, 2018 and is amortized over 20 years. In addition, a contribution variance base is added and amortized over 5 years for the amount of the 2017 Actual Contribution determined that is not contributed during 2017.

NOTE: The Pension Board adopted the following assumption changes. Effective with the January 1, 2018 actuarial valuation, the rate of return on assets and valuation discount rate will change from 8.00% to 7.75%. Effective with the January 1, 2020 actuarial valuation, the rate of return on assets and valuation discount rate will change from 7.75% to 7.50%. The following table shows the projected ERS contribution amounts through the 2022 Plan year based on these changes. The contribution amounts shown are split between Public Safety Employees, General Employees, and the County.



A summary of the reconciliation of ERS contributions is shown on page 14 of the enclosed presentation.

Attached is a summary of the funding plan for the ERS and OBRA plans, a summary of the actuarial assumptions used by the actuary for the ERS plan, and ten-year histories of the assets and liabilities for both the ERS and OBRA plans. Enclosed is a copy of the actuary's June 28, 2017 presentation of the 2017 actuarial valuation results to the pension board and the final actuarial valuation reports for the Milwaukee County Employees' Retirement System as of December 31, 2016.

NOTE: The contribution amounts shown in this letter are gross amounts and do not account for any mandatory employee contributions. It is our understanding that County Staff will net out from this gross amount the amount of employee contributions that are collected to arrive at a net County contribution. The sum of County contributions and employee contributions should match the gross amount of contributions shown in this letter. The recommended employee contribution rates for 2018 are 6.5% for General Employees and 8.3% for Public Safety Employees. Last year's rates were 6.5% and 8.1%, respectively.

We urge the County to make every effort to budget for 2018 the amounts shown in this letter, and to consider any arrangements as it deems appropriate to transition to the increase in future contribution amounts.

Sincerely,

Norbert Gedemer
Pension Board Chairman

Attachment and Enclosure

**Employees' Retirement System of the County of Milwaukee
Funding Plan, Assumptions and Methods, History of Assets and Liabilities**

I Funding Plan

- The funding policy in 2017 is to contribute each year the normal cost plus amortization payments plus expected administrative expenses.

2017 Obligation as Budgeted

	ERS	OBRA	Total
Normal cost	\$ 17,372,000	\$ 88,000	\$ 17,460,000
Amortization of unfunded	46,841,000	230,000	47,071,000
Administrative Expenses	<u>1,248,000</u>	<u>530,000</u>	<u>1,778,000</u>
Total	\$ 65,461,000	\$ 848,000	\$ 66,309,000

Actual 2017 Obligation, Expected Contribution, and Variance

	ERS	OBRA	Total
Actual Obligation	\$ 65,799,451	\$ 804,281	\$ 66,603,732
Expected Contribution*	<u>65,991,000</u>	<u>833,000</u>	<u>66,824,000</u>
Expected Variance	\$ (191,549)	\$ (28,719)	\$ (220,268)

*With interest to 12/31/2017

2018 Obligation as Budgeted

	ERS	OBRA	Total
Normal cost	\$ 17,377,000	\$ 104,000	\$ 17,481,000
Amortization of unfunded	53,237,000	265,000	53,502,000
Administrative Expenses	<u>1,580,000</u>	<u>467,000</u>	<u>2,047,000</u>
Total	\$ 72,194,000	\$ 836,000	\$ 73,030,000

- The normal cost is the charge for benefits earned in the current year.
- Expected administrative expenses are immediately reflected.
- The amortization period is 20 years for liabilities due to plan changes, actuarial assumption changes and actuarial experience. Future bases are amortized over 20 years from the date of inception. These amortization payments are calculated assuming that future payments increase by 1.75%.
- The amortization period for the variance (the difference between the actual obligation and the contribution paid) will be 5 years. These amortization payments will be calculated in level dollar amounts.

**Employees' Retirement System of the County of Milwaukee
Funding Plan, Assumptions and Methods, History of Assets and Liabilities**

II Current Actuarial Assumptions and Methods for the ERS and OBRA Plans

- Investment return – 8.0% per annum for ERS and OBRA
- Payroll growth – 3.5% per annum for ERS / 3.0% for OBRA
- Revenue growth – 1.75% per annum for ERS and OBRA

- Pay increases – Average Annual Individual Increase:

<u>General</u>	<u>Deputy Sheriffs</u>	<u>Elected</u>
3.3%	4.3%	3.0%

- Retirement age – Average Retirement Age:

<u>General</u>	<u>Deputy Sheriffs</u>	<u>Elected</u>
56	50	59

- Mortality rates

- | | | | |
|----|-------------------------|---|--|
| a. | Non-disabled pensioners | - | The sex distinct UP-1994 Mortality Table with projection scale AA to 2012 and then fully generational thereafter using scale AA. |
| b. | Active Participants | - | 70% of the mortality of non-disabled pensioners. |
| c. | Disabled pensioners | - | RP-2000 Disabled Retiree male and female tables. |

- Separation rates – Average Annual Turnover*:

<u>General</u>	<u>Deputy Sheriffs</u>	<u>Elected</u>
3.4%	3.7%	2.0%

** For employees not yet eligible to retire.*

- Type of disability

- | | | | |
|----|---------------------------|---|------------------------------|
| a. | Non-represented employees | - | 50% Ordinary; 50% Accidental |
| b. | Represented employees | - | 100% Ordinary; 0% Accidental |

- Backdrop rates – 75% of eligible retirees are assumed to elect a backdrop. Of those electing, 75% are assumed to take the maximum period available to them and 25% take half the maximum period available. The maximum period available is estimated by excluding time periods before the employee was eligible for an unreduced service retirement benefit.

Unless otherwise noted, the assumptions above are for the ERS plan. Refer to the valuation reports for a detailed exhibit of the assumptions for both plans.

**Employees' Retirement System of the County of Milwaukee
Funding Plan, Assumptions and Methods, History of Assets and Liabilities**

III History of Assets and Liabilities

Shown below are supplemental schedules required by government accounting standards. Please note that GASB Statement No. 25 and Statement No. 27 are no longer applicable and have been replaced by Statement No. 67 and Statement No. 68. These results are strictly for comparison purposes for any relevant Statement No. 67 or Statement No. 68 results.

**Schedule of Funding Progress – ERS
(in thousands of dollars)**

Actuarial Valuation Date	Actuarial value of Assets (a)	Actuarial Accrued Liability (b)	Funded Ratio (a / b)	Unfunded Actuarial Accrued Liability (b - a)	Covered Payroll (c)	Unfunded as a percentage of covered Payroll $\{(b-a) / c\}$
12/31/2016	\$ 1,740,422	\$ 2,256,308	77.1%	\$ 515,886	\$ 186,214	277.0%
12/31/2015	1,767,420	2,262,851	78.1%	495,431	194,872	254.2%
12/31/2014	1,773,638	2,222,620	79.8%	448,982	191,433	234.5%
12/31/2013	1,772,750	2,069,547	85.7%	296,797	188,605	157.4%
12/31/2012	1,768,435	2,025,319	87.3%	256,884	189,132	135.8%
12/31/2011	1,836,543	2,059,554	89.2%	223,011	190,748	116.9%
12/31/2010	1,929,428	2,091,927	92.2%	162,499	221,647	73.3%
12/31/2009	1,956,444	2,097,332	93.3%	140,888	237,040	59.4%
12/31/2008	1,968,518	2,057,377	95.7%	88,859	233,820	38.0%
12/31/2007	1,627,288	2,024,923	80.4%	397,635	227,364	174.9%

**Schedule of Funding Progress – OBRA
(in thousands of dollars)**

Actuarial Valuation Date	Actuarial value of Assets (a)	Actuarial Accrued Liability (b)	Funded Ratio (a / b)	Unfunded Actuarial Accrued Liability (b - a)	Covered Payroll (c)	Unfunded as a percentage of covered Payroll $\{(b-a) / c\}$
12/31/2016	\$ 1,514	\$ 4,380	34.6%	\$ 2,866	\$ 3,640	78.7%
12/31/2015	1,311	3,805	34.4%	2,494	3,926	63.5%
12/31/2014	1,560	3,484	44.8%	1,924	3,925	49.0%
12/31/2013	1,603	3,411	47.0%	1,808	3,478	52.0%
12/31/2012	1,662	2,869	57.9%	1,207	7,736	15.6%
12/31/2011	1,236	2,444	50.5%	1,209	8,939	13.5%
12/31/2010	1,402	5,520	25.4%	4,117	8,936	46.1%
12/31/2009	1,039	5,069	20.5%	4,030	6,901	58.4%
12/31/2008	860	4,452	19.3%	3,592	8,498	42.3%
12/31/2007	1,355	4,077	33.2%	2,722	8,284	32.9%

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Milwaukee County



Employee vs. Employer Cost Summary
Total Plan Costs - All Actives and Retirees Combined

		2017			2018
		2016	YTD	Full Year Forecast	Projection
	Average # of Subscribers	4,929	4,875	4,869	4,863
	# Rx subscribers	10,569	10,555	10,552	10,551
Net Plan Costs	Net Medical Claims	\$57,014,749	\$35,664,230	\$61,906,004	\$66,340,377
	+ Rx Claims	\$34,508,906	\$21,199,662	\$37,223,340	\$41,164,773
	- Spec Reimbursement	Net	Net	Net	Net
	+ Fixed Costs	\$4,520,894	\$2,742,678	\$4,696,820	\$5,260,462
	- RX Rebates	-\$7,800,635	-\$4,684,911	-\$8,031,277	-\$8,031,277
	- EGWP Subsidies	-\$6,608,282	-\$3,466,126	-\$5,941,930	-\$5,540,053
	+ Medicare Advantage Premiums	\$3,986,206	\$2,435,088	\$4,174,437	\$4,841,760
	+ FSA funding	\$1,558,583	\$902,368	\$1,546,917	\$1,541,500
	Total Net Plan Costs (1)	\$87,180,421	\$54,792,989	\$95,674,312	\$105,677,542
	Employee POS Cost	Net Medical Claims			
> Copays/Deductible		\$11,882,982	\$7,896,755	\$13,686,381	\$14,633,798
> Coinsurance		\$4,508,068	\$2,968,493	\$5,153,438	\$5,522,934
+ Rx Claims					
> Rx CoPay		\$6,273,129	\$3,540,550	\$6,217,192	\$6,876,266
- Spec Reimbursement		\$0	\$0	\$0	\$0
+ Fixed Costs		\$0	\$0	\$0	\$0
- RX Rebates		\$0	\$0	\$0	\$0
- EGWP Subsidies		\$0	\$0	\$0	\$0
+ FSA funding		-\$1,558,583	-\$902,368	-\$1,546,917	-\$1,541,500
Total Employee POS Cost (2)	\$21,105,595	\$13,503,430	\$23,510,093	\$25,491,498	
% of Total	Net Medical Claims				
	> Copays/Deductible	16.2%	17.0%	16.9%	16.9%
	> Coinsurance	6.1%	6.4%	6.4%	6.4%
	+ Rx Claims				
> Rx CoPay	15.4%	14.3%	14.3%	14.3%	
Total POS Cost	Net Medical Claims	\$73,405,799	\$46,529,478	\$80,745,823	\$86,497,109
	+ Rx Claims	\$40,782,034	\$24,740,212	\$43,440,532	\$48,041,039
	- Spec Reimbursement	Net	Net	Net	Net
	+ Fixed Costs	\$4,520,894	\$2,742,678	\$4,696,820	\$5,260,462
	- RX Rebates	-\$7,800,635	-\$4,684,911	-\$8,031,277	-\$8,031,277
	- EGWP Subsidies	-\$6,608,282	-\$3,466,126	-\$5,941,930	-\$5,540,053
	+ Medicare Advantage Premiums	\$3,986,206	\$2,435,088	\$4,174,437	\$4,841,760
	+ FSA funding	\$0	\$0	\$0	\$0
	Total POS Cost (3)	\$108,286,016	\$68,296,419	\$119,084,405	\$131,069,040
	Employer Cost Summary	Total POS Cost	\$108,286,016	\$68,296,419	\$119,084,405
Less Employee POS Cost		-\$21,105,595	-\$13,503,430	-\$23,510,093	-\$25,491,498
Less Employee Contributions		-\$6,439,547	-\$3,726,439	-\$6,388,182	-\$6,376,240
Net Employer Cost		\$80,740,874	\$51,066,549	\$89,186,130	\$99,201,302
Employee Cost Summary	Employee POS Cost				
	> Copays/Deductible	\$11,882,982	\$7,896,755	\$13,686,381	\$14,633,798
	> Coinsurance	\$4,508,068	\$2,968,493	\$5,153,438	\$5,522,934
	> Rx CoPay	\$6,273,129	\$3,540,550	\$6,217,192	\$6,876,266
	Subtotal	\$22,664,179	\$14,405,798	\$25,057,010	\$27,032,998
	+ FSA funding	-\$1,558,583	-\$902,368	-\$1,546,917	-\$1,541,500
	Total Employee POS Cost	\$21,105,595	\$13,503,430	\$23,510,093	\$25,491,498
	Employee Contribution	\$6,439,547	\$3,726,439	\$6,388,182	\$6,376,240
	Total Employee Cost Exposure	\$27,545,143	\$17,229,870	\$29,898,275	\$31,867,738
	Employee POS Cost PEPM				
Total Employee POS Cost	\$166.42	\$182.76	\$185.66	\$201.34	
Employee Contribution	\$50.78	\$50.44	\$50.45	\$50.36	
Employee POS Cost PEPM	\$217.19	\$233.20	\$236.11	\$251.70	
Net Employer Cost PEPM	\$636.64	\$691.16	\$704.32	\$783.51	
Total POS Cost PEPM	\$853.83	\$924.36	\$940.43	\$1,035.20	
Total Employer %	74.6%	74.8%	74.9%	75.7%	
Total Employee %	25.4%	25.2%	25.1%	24.3%	

Claim Data Through July 31, 2017

* Subscriber count does not include MedAdvantage, Rx subscriber count includes EGWP (MedAdv and PPO members)

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Milwaukee County



Employee vs. Employer Cost Summary
Total Plan Costs - Active Employees

		2017			2018
		2016	YTD	Full Year Forecast	Projection
	Average # of Subscribers	3,117	3,102	3,096	3,089
Net Plan Costs	Net Medical Claims	\$33,714,618	\$20,702,754	\$35,438,246	\$37,244,412
	+ Rx Claims	\$6,988,646	\$4,115,860	\$7,141,754	\$7,774,635
	- Spec Reimbursement	Net	Net	Net	Net
	+ Fixed Costs	\$2,451,649	\$1,475,892	\$2,525,329	\$2,909,116
	- RX Rebates	-\$1,135,017	-\$732,958	-\$1,256,500	-\$1,256,500
	- EGWP Subsidies	\$0	\$0	\$0	\$0
	+ Medicare Advantage Premiums	\$0	\$0	\$0	\$0
	+ FSA funding	\$1,558,583	\$902,368	\$1,546,917	\$1,541,500
	Total Net Plan Costs (1)	\$43,578,479	\$26,463,916	\$45,395,745	\$48,213,163
Employee POS Cost	Net Medical Claims				
	➢ Copays/Deductible	\$6,490,035	\$3,985,263	\$6,821,832	\$7,169,518
	➢ Coinsurance	\$2,302,339	\$1,413,771	\$2,420,044	\$2,543,385
	+ Rx Claims				
	➢ Rx CoPay	\$1,238,181	\$670,051	\$1,162,659	\$1,265,690
	- Spec Reimbursement	\$0	\$0	\$0	\$0
	+ Fixed Costs	\$0	\$0	\$0	\$0
	- RX Rebates	\$0	\$0	\$0	\$0
	- EGWP Subsidies	\$0	\$0	\$0	\$0
	+ FSA funding	-\$1,558,583	-\$902,368	-\$1,546,917	-\$1,541,500
	Total Employee POS Cost (2)	\$8,471,972	\$5,166,717	\$8,857,618	\$9,437,093
% of Total	Net Medical Claims				
	➢ Copays/Deductible	15.3%	15.3%	15.3%	15.3%
	➢ Coinsurance	5.4%	5.4%	5.4%	5.4%
	+ Rx Claims				
	➢ Rx CoPay	15.1%	14.0%	14.0%	14.0%
Total POS Cost	Net Medical Claims	\$42,506,992	\$26,101,788	\$44,680,122	\$46,957,315
Net Plan Costs Plus	+ Rx Claims	\$8,226,827	\$4,785,911	\$8,304,413	\$9,040,325
Employee POS Cost	- Spec Reimbursement	Net	Net	Net	Net
	+ Fixed Costs	\$2,451,649	\$1,475,892	\$2,525,329	\$2,909,116
	- RX Rebates	-\$1,135,017	-\$732,958	-\$1,256,500	-\$1,256,500
	- EGWP Subsidies	\$0	\$0	\$0	\$0
	+ Medicare Advantage Premiums	\$0	\$0	\$0	\$0
	+ FSA funding	\$0	\$0	\$0	\$0
	Total POS Cost (3)	\$52,050,451	\$31,630,632	\$54,253,363	\$57,650,256
Employer Cost Summary	Total POS Cost	\$52,050,451	\$31,630,632	\$54,253,363	\$57,650,256
	Less Employee POS Cost	-\$8,471,972	-\$5,166,717	-\$8,857,618	-\$9,437,093
	Less Employee Contributions	-\$5,652,496	-\$3,274,606	-\$5,613,610	-\$5,600,816
	Net Employer Cost	\$37,925,983	\$23,189,310	\$39,782,135	\$42,612,347
Employee Cost Summary	Employee POS Cost				
	➢ Copays/Deductible	\$6,490,035	\$3,985,263	\$6,821,832	\$7,169,518
	➢ Coinsurance	\$2,302,339	\$1,413,771	\$2,420,044	\$2,543,385
	➢ Rx CoPay	\$1,238,181	\$670,051	\$1,162,659	\$1,265,690
	Subtotal	\$10,030,555	\$6,069,085	\$10,404,535	\$10,978,593
	+ FSA funding	-\$1,558,583	-\$902,368	-\$1,546,917	-\$1,541,500
	Total Employee POS Cost	\$8,471,972	\$5,166,717	\$8,857,618	\$9,437,093
	Employee Contribution	\$5,652,496	\$3,274,606	\$5,613,610	\$5,600,816
	Total Employee Cost Exposure	\$14,124,468	\$8,441,323	\$14,471,228	\$15,037,909
	Employee POS Cost PEPM				
	Total Employee POS Cost	\$226.49	\$237.98	\$238.44	\$254.62
	Employee Contribution	\$151.11	\$150.83	\$151.11	\$151.11
	Employee POS Cost PEPM	\$377.60	\$388.80	\$389.55	\$405.73
	Net Employer Cost PEPM	\$1,013.90	\$1,068.09	\$1,070.89	\$1,149.70
	Total POS Cost PEPM	\$1,391.50	\$1,456.89	\$1,460.44	\$1,555.42
	Total Employer %	72.9%	73.3%	73.3%	73.9%
	Total Employee %	27.1%	26.7%	26.7%	26.1%

Claim Data Through July 31, 2017

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Milwaukee County



Employee vs. Employer Cost Summary
Total Plan Costs - Pre-65 Retirees

		2017			2018	
		2016	YTD	Full Year Forecast	Projection	
	Average # of Subscribers	1,445	1,382	1,383	1,385	
Net Plan Costs	Net Medical Claims	\$22,508,330	\$14,118,418	\$25,017,456	\$27,562,750	
	+ Rx Claims	\$5,512,348	\$3,575,424	\$6,257,340	\$6,894,603	
	- Spec Reimbursement	Net	Net	Net	Net	
	+ Fixed Costs	\$1,107,990	\$641,896	\$1,100,984	\$1,277,538	
	- RX Rebates	-\$1,019,871	-\$658,600	-\$1,129,029	-\$1,129,029	
	- EGWP Subsidies	\$0	\$0	\$0	\$0	
	+ Medicare Advantage Premiums	\$0	\$0	\$0	\$0	
	+ FSA funding	\$0	\$0	\$0	\$0	
	Total Net Plan Costs (1)	\$28,108,797	\$17,677,137	\$31,246,750	\$34,605,862	
Employee POS Cost	Net Medical Claims					
	> Copays/Deductible	\$4,184,322	\$2,624,628	\$4,650,771	\$5,123,944	
	> Coinsurance	\$1,814,463	\$1,138,127	\$2,016,731	\$2,221,915	
	+ Rx Claims					
	> Rx CoPay	\$997,496	\$594,354	\$1,040,177	\$1,146,111	
	- Spec Reimbursement	\$0	\$0	\$0	\$0	
	+ Fixed Costs	\$0	\$0	\$0	\$0	
	- RX Rebates	\$0	\$0	\$0	\$0	
	- EGWP Subsidies	\$0	\$0	\$0	\$0	
	+ FSA funding	\$0	\$0	\$0	\$0	
	Total Employee POS Cost (2)	\$6,996,281	\$4,357,109	\$7,707,679	\$8,491,969	
% of Total	Net Medical Claims					
	> Copays/Deductible	14.7%	14.7%	14.7%	14.7%	
	> Coinsurance	6.4%	6.4%	6.4%	6.4%	
	+ Rx Claims					
> Rx CoPay	15.3%	14.3%	14.3%	14.3%		
Total POS Cost	Net Medical Claims	\$28,507,115	\$17,881,173	\$31,684,958	\$34,908,609	
	+ Rx Claims	\$6,509,844	\$4,169,778	\$7,297,516	\$8,040,714	
	- Spec Reimbursement	Net	Net	Net	Net	
	+ Fixed Costs	\$1,107,990	\$641,896	\$1,100,984	\$1,277,538	
	- RX Rebates	-\$1,019,871	-\$658,600	-\$1,129,029	-\$1,129,029	
	- EGWP Subsidies	\$0	\$0	\$0	\$0	
	+ Medicare Advantage Premiums	\$0	\$0	\$0	\$0	
	+ FSA funding	\$0	\$0	\$0	\$0	
		Total POS Cost (3)	\$35,105,078	\$22,034,247	\$38,954,429	\$43,097,831
	Employer Cost Summary	Total POS Cost	\$35,105,078	\$22,034,247	\$38,954,429	\$43,097,831
Less Employee POS Cost		-\$6,996,281	-\$4,357,109	-\$7,707,679	-\$8,491,969	
Less Employee Contributions		-\$393,775	-\$219,864	-\$376,909	-\$377,537	
Net Employer Cost		\$27,715,022	\$17,457,274	\$30,869,841	\$34,228,324	
Employee Cost Summary	Employee POS Cost					
	> Copays/Deductible	\$4,184,322	\$2,624,628	\$4,650,771	\$5,123,944	
	> Coinsurance	\$1,814,463	\$1,138,127	\$2,016,731	\$2,221,915	
	> Rx CoPay	\$997,496	\$594,354	\$1,040,177	\$1,146,111	
	Subtotal	\$6,996,281	\$4,357,109	\$7,707,679	\$8,491,969	
	+ FSA funding	\$0	\$0	\$0	\$0	
	Total Employee POS Cost	\$6,996,281	\$4,357,109	\$7,707,679	\$8,491,969	
	Employee Contribution	\$393,775	\$219,864	\$376,909	\$377,537	
	Total Employee Cost Exposure	\$7,390,056	\$4,576,973	\$8,084,588	\$8,869,507	
	Employee POS Cost PEPM					
Total Employee POS Cost	403.4996621	\$450.30	\$464.42	\$510.83		
Employee Contribution	22.71038271	\$22.72	\$22.71	\$22.71		
Employee POS Cost PEPM	\$426.21	\$473.02	\$487.13	\$533.54		
Net Employer Cost PEPM	1598.421017	\$1,804.18	\$1,860.04	\$2,058.97		
Total POS Cost PEPM	\$2,024.63	\$2,277.21	\$2,347.17	\$2,592.51		
Total Employer %	78.9%	79.2%	79.2%	79.4%		
Total Employee %	21.1%	20.8%	20.8%	20.6%		

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Milwaukee County



Employee vs. Employer Cost Summary
Total Plan Costs - Post-65 Retirees

		2017			2018
		2016	YTD	Full Year Forecast	Projection
	Average # of Subscribers	367	391	390	389
	# Rx subscribers	6,007	6,071	6,074	6,077
Net Plan Costs	Net Medical Claims	\$791,801	\$843,058	\$1,450,303	\$1,533,215
	+ Rx Claims	\$22,007,911	\$13,508,378	\$23,824,246	\$26,495,535
	- Spec Reimbursement	Net	Net	Net	Net
	+ Fixed Costs	\$961,255	\$624,890	\$1,070,508	\$1,073,808
	- RX Rebates	-\$5,645,747	-\$3,293,352	-\$5,645,747	-\$5,645,747
	- EGWP Subsidies	-\$6,608,282	-\$3,466,126	-\$5,941,930	-\$5,540,053
	+ Medicare Advantage Premiums	\$3,986,206	\$2,435,088	\$4,174,437	\$4,841,760
	+ FSA funding	\$0	\$0	\$0	\$0
	Total Net Plan Costs (1)	\$15,493,145	\$10,651,936	\$18,931,817	\$22,758,518
	Employee POS Cost	Net Medical Claims			
➢ Copays/Deductible		\$1,208,625	\$1,286,864	\$2,213,778	\$2,340,337
➢ Coinsurance		\$391,266	\$416,594	\$716,662	\$757,633
+ Rx Claims					
➢ Rx CoPay		\$4,037,452	\$2,276,145	\$4,014,356	\$4,464,465
- Spec Reimbursement		\$0	\$0	\$0	\$0
+ Fixed Costs		\$0	\$0	\$0	\$0
- RX Rebates		\$0	\$0	\$0	\$0
- EGWP Subsidies		\$0	\$0	\$0	\$0
+ FSA funding		\$0	\$0	\$0	\$0
Total Employee POS Cost (2)	\$5,637,343	\$3,979,604	\$6,944,797	\$7,562,436	
% of Total	Net Medical Claims				
	➢ Copays/Deductible	50.5%	50.5%	50.5%	50.5%
	➢ Coinsurance	16.4%	16.4%	16.4%	16.4%
	+ Rx Claims				
	➢ Rx CoPay	15.5%	14.4%	14.4%	14.4%
Total POS Cost	Net Medical Claims	\$2,391,692	\$2,546,517	\$4,380,743	\$4,631,185
	+ Rx Claims	\$26,045,363	\$15,784,523	\$27,838,603	\$30,960,000
	- Spec Reimbursement	Net	Net	Net	Net
	+ Fixed Costs	\$961,255	\$624,890	\$1,070,508	\$1,073,808
	- RX Rebates	-\$5,645,747	-\$3,293,352	-\$5,645,747	-\$5,645,747
	- EGWP Subsidies	-\$6,608,282	-\$3,466,126	-\$5,941,930	-\$5,540,053
	+ Medicare Advantage Premiums	\$3,986,206	\$2,435,088	\$4,174,437	\$4,841,760
	+ FSA funding	\$0	\$0	\$0	\$0
	Total POS Cost (3)	\$21,130,487	\$14,631,540	\$25,876,613	\$30,320,953
	Employer Cost Summary	Total POS Cost	\$21,130,487	\$14,631,540	\$25,876,613
Less Employee POS Cost		-\$5,637,343	-\$3,979,604	-\$6,944,797	-\$7,562,436
Less Employee Contributions		-\$393,276	-\$231,970	-\$397,663	-\$397,886
Net Employer Cost		\$15,099,869	\$10,419,966	\$18,534,154	\$22,360,631
Employee Cost Summary	Employee POS Cost				
	➢ Copays/Deductible	\$1,208,625	\$1,286,864	\$2,213,778	\$2,340,337
	➢ Coinsurance	\$391,266	\$416,594	\$716,662	\$757,633
	➢ Rx CoPay	\$4,037,452	\$2,276,145	\$4,014,356	\$4,464,465
	Subtotal	\$5,637,343	\$3,979,604	\$6,944,797	\$7,562,436
	+ FSA funding	\$0	\$0	\$0	\$0
	Total Employee POS Cost	\$5,637,343	\$3,979,604	\$6,944,797	\$7,562,436
	Employee Contribution	\$393,276	\$231,970	\$397,663	\$397,886
	Total Employee Cost Exposure	\$6,030,619	\$4,211,574	\$7,342,459	\$7,960,322
	Employee POS Cost PEPM				
Total Employee POS Cost	\$78.21	\$93.64	\$95.29	\$103.70	
Employee Contribution	\$5.46	\$5.46	\$5.46	\$5.46	
Employee POS Cost PEPM	\$83.67	\$99.10	\$100.74	\$109.16	
Net Employer Cost PEPM	\$209.49	\$245.19	\$254.30	\$306.63	
Total POS Cost PEPM	\$293.16	\$344.29	\$355.04	\$415.79	
Total Employer %	71.5%	71.2%	71.6%	73.7%	
Total Employee %	28.5%	28.8%	28.4%	26.3%	

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* Subscriber count does not include MedAdvantage, Rx subscriber count includes EGWP (MedAdv and PPO members)