File 26-558

Milwaukee County

Department of Human Resources

INTER-OFFICE COMMUNICATION

Date:	June 24, 2026
To:	Marcelia Nicholson-Bovell, Chairwoman, Milwaukee County Board of Supervisors
From:	Claire Miller, Interim Chief Human Resources Officer, Department of Human Resources
Subject:	From the Interim Chief Human Resources Officer, Department of Human Resources, providing an informational report regarding the status of Milwaukee County's health care benefits.
File Type:	Informational Report

Claire Miller

REQUEST

Per File #26-357 Milwaukee County Board requested regular updates on the status of health care benefits. Due to the complexity of the contracts revolving around healthcare benefits and administration the monthly reports will highlight how Milwaukee County healthcare benefits are delivered and education on policy opportunities.

POLICY

Wisconsin State Statutes:	
Milwaukee County Code of General Ordinances:	17.14
Specific Adopted Budget:	
Specific Adopted Budget Amendment:	
Specific Adopted Capital Project:	

BODY

Related File No's:	26-357
Previous Action Date(s):	5/20/26

Milwaukee County provides healthcare coverage to approximately 10,000 employees, retirees, and eligible dependents through a self-funded health plan. This means the County pays healthcare claims directly and works with specialized vendors to administer different parts of the program.

The County's health benefits program plays a critical role in attracting and retaining a high-quality workforce while supporting the health and well-being of employees, retirees, and their families.

This report is intended to provide a foundational overview of how the County's health plan operates, who it serves, and the role of the County and its partners in administering the program. Future monthly reports will build on this foundation by examining healthcare trends, cost drivers, vendor performance, contract updates, and budget considerations.

Overview of Milwaukee County's Health Plan

Like many large public and private employers, Milwaukee County offers health insurance as part of its total compensation package. Comprehensive benefits help the County recruit and retain a qualified workforce while providing employees and retirees access to affordable healthcare services.

Milwaukee County's health plan provides coverage for:

- Active employees and their eligible dependents.
- Retirees and eligible retiree dependents.
- Certain surviving spouses and other participants as permitted under County policy and plan documents.

Retiree healthcare coverage reflects long-standing commitments made through collective bargaining agreements, County ordinances, and historical benefit structures.

Understanding Health Insurance Models

Employers generally provide healthcare coverage through one of two common funding arrangements.

Model	How It Works
Fully Insured	The employer pays a fixed premium to an insurance company, which assumes the financial risk and pays claims.
Self-Funded (Self-Insured)	The employer pays healthcare claims directly using its own funds while contracting with vendors to administer the plan.

Milwaukee County operates a self-funded health plan. The County does not purchase traditional health insurance with fixed monthly premiums. Instead, it pays the actual medical and pharmacy costs incurred by employees, retirees, and their covered dependents.

Under this model, the County takes on the financial risk of healthcare costs, but it also gains more control over plan design, vendor selection, cost management strategies, and long-term planning. The County partners with third party administrators to process claims, manage provider networks, and support members, but the underlying healthcare expenses are paid directly by the County.

Because costs vary based on how much care members use, the County closely monitors healthcare utilization, trends, and cost drivers. This approach allows for proactive management of healthcare spending and supports efforts to provide high-quality, cost-effective benefits.

How Milwaukee County's Health Plan Works

Although members carry a UnitedHealthcare (UHC) insurance card, UHC is not the insurer in the traditional sense. Milwaukee County funds all healthcare claims directly, and UHC's role is strictly administrative. They provide claims processing, network access, and customer service under an Administrative Services Only (ASO) agreement, while the County retains full financial responsibility for the plan.

Under this arrangement, UnitedHealthcare:

- Maintains the provider network
- Processes and pays claims on the County's behalf
- Negotiates provider discounts
- Provides customer service and care management resources
- Supplies reporting and analytics to support plan administration

Milwaukee County, working with its benefits healthcare consultants, Willis Towers Watson (WTW), and its vendor partners, is responsible for:

- Deciding what the health plan covers and who is eligible to enroll
- Negotiating and overseeing vendor contracts
- Tracking healthcare spending and plan performance
- Ensuring the plan follows all federal and state laws
- Developing strategies to improve member health and manage long-term costs

Milwaukee County's Health Benefits Program at a Glance

Milwaukee County partners with several specialized vendors to administer different components of its employee benefits program.

Program	Primary Partner	Purpose
Medical Plan Administration	UnitedHealthcare	Medical claims administration and provider network
Pharmacy Benefit Management	RxBenefits	Pharmacy benefit administration and cost management
Benefits Consulting & Strategic Planning	WTW	Actuarial consulting, forecasting, benchmarking, and strategic support
Dental Benefits	Delta Dental	Dental coverage administration
Vision Benefits	Delta Vision	Vision coverage administration
Workplace Clinics	Froedtert	Convenient, lower-cost access to preventive and primary care services

Wellness Program	WebMD	Employee wellness and population health initiatives
Flexible Spending Accounts	Employee Benefits Corporation (EBC)	FSA and dependent care account administration
Disability Insurance	Prudential	Administration of disability benefits and leave programs, including short-term disability, long-term disability, FMLA, and paid parental leave
Medicare Advantage PPO	UnitedHealthcare	Medical coverage for Medicare-eligible retirees
EGWP Prescription Drug Program	UnitedHealthcare / Medicare	Prescription drug coverage for Medicare-eligible retirees

Milwaukee County provides different types of healthcare coverage depending on a person's eligibility. Active employees, pre-Medicare retirees, and their covered dependents are enrolled in the County's self-funded medical plan, which is administered by UnitedHealthcare.

Participant Group	Medical Coverage	Funding Model	Administrator
Active Employees	UHC Choice Plus PPO Plan	Self-Funded	United Healthcare
Pre-Medicare Retirees (Under Age 65)	UHC Choice Plus PPO Plan	Self-Funded	United Healthcare
Dependents of Active Employees & Pre-Medicare Retirees	UHC Choice Plus PPO Plan	Self-Funded	United Healthcare
Medicare-Eligible Retirees (Age 65+)	Medicare Advantage PPO Plan or UHC Choice Plus PPO Plan	Fully Insured or Self-Funded (depending on plan)	United Healthcare
Medicare-Eligible Retiree Dependents	Medicare Advantage PPO Plan or UHC Choice Plus PPO Plan	Fully Insured or Self-Funded (depending on plan)	United Healthcare

Retirees who are eligible for Medicare receive their medical coverage through a UnitedHealthcare Group Medicare Advantage PPO plan. This plan works together with Medicare to offer comprehensive coverage specifically designed for retirees. Medicare-eligible retirees also receive prescription drug coverage through an Employer Group Waiver Plan (EGWP). An EGWP is a Medicare approved program that lets employers coordinate retiree prescription benefits with Medicare while helping control long-term pharmacy costs and maintain strong coverage.

Together, these arrangements help Milwaukee County deliver a complete, high-quality benefits program while actively managing cost, plan performance, and member experience.

How Employees Share in Healthcare Costs
Healthcare coverage is funded through a combination of County contributions and employee contributions.

Employees contribute toward the cost of coverage through payroll deductions (premiums) and may also pay deductibles, copayments, and coinsurance depending on the services they receive. The County pays the majority of healthcare costs, while employees contribute a portion through these cost-sharing mechanisms.

What Happens When an Employee Uses Their Health Insurance?
The healthcare payment process involves several steps:

Step 1: The Employee Receives Care
An employee, dependent, or retiree visits a healthcare provider, urgent care center, emergency room, or other participating facility.

Step 2: The Provider Bills UnitedHealthcare
The provider submits the claim to UHC, which processes the claim according to the County's benefit plan and applies the negotiated network discounts.

Step 3: The Employee Pays Their Share
The member pays any copayments, deductibles, or coinsurance required by the plan.

Step 4: Milwaukee County Pays the Remaining Covered Cost
After discounts and member cost-sharing are applied, Milwaukee County pays the remaining covered claim cost.

This structure allows the County to benefit from negotiated provider discounts while maintaining direct oversight of overall healthcare spending.

How Healthcare Choices Affect Plan Costs
Because Milwaukee County is self-funded, the County pays the actual cost of the healthcare services that members use. This means that the decisions members make about where and how they receive care have a direct impact on the overall cost of the health plan.

Whenever it is medically appropriate, choosing lower-cost care settings, like using primary care, virtual visits, or urgent care instead of the emergency room, helps reduce total expenses while still providing safe, high-quality care.

Care Setting	Typical Appropriate Use	Relative Cost
Primary Care Provider	Routine care, preventive visits, chronic condition management	Lowest
Workplace Clinic	Minor illness, preventive care, health coaching, medication management	Lowest
Urgent Care	Non-life-threatening illnesses and injuries requiring same-day attention	Moderate
Emergency Room	Serious or life-threatening medical emergencies	Highest

For example, treatment for a minor illness that may cost a few hundred dollars in an urgent care setting can cost several times more if the same condition is treated in an emergency room. Future reports will explore healthcare utilization patterns and opportunities to improve access to the most appropriate and cost-effective care settings.

The County's Role in Managing the Health Plan
The Total Rewards Division actively manages the County's health benefits program on behalf of employees, retirees, and taxpayers. Throughout the year, staff work with healthcare vendors and consulting partners to:

- Monitor healthcare and pharmacy trends
- Review claims and utilization data
- Negotiate and administer vendor contracts
- Evaluate market developments and industry best practices
- Benchmark the County's plan against comparable employers
- Support employee wellness and population health initiatives
- Ensure compliance with healthcare regulations and reporting requirements

The goal is to maintain a health plan that is competitive, financially sustainable, and responsive to the needs of County employees and retirees.

Current Health Plan Snapshot

Looking Ahead
Future monthly reports will provide additional information regarding healthcare trends, claims experience, pharmacy utilization, vendor performance, contract renewals, operational improvements, fiscal trends, and budget considerations affecting Milwaukee County's health benefits program.

ALIGNMENT TO STRATEGIC PLAN

Describe how the item aligns to the objectives in the strategic plan:
1A: Reflect the full diversity of the County at every level of County government
1B: Create and nurture an inclusive culture across County government

1C: Increase the number of County contracts awarded to minority and women-owned businesses
2A: Determine what, where, and how we deliver services to advance health equity
2B: Break down silos across County government to maximize access to and quality of services offered
2C: Apply a racial equity lens to all decisions
3A: Invest "upstream" to address root causes of health disparities
3B: Enhance the County's fiscal health and sustainability
3C: Dismantle barriers to diverse and inclusive communities

FISCAL EFFECT

The report is informational only and there is no fiscal impact.

VIRTUAL MEETING INVITES

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ATTACHMENTS:

NA

cc: County Executive David Crowley
Mary Jo Meyers, Chief of Staff, Milwaukee County Executive's Office
Supervisor Deanna Alexander., Chair, Personnel Committee
Steve Cady, Research & Policy Director, Office of the Comptroller
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