

CITY OF WASHINGTON
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MEMORANDUM

TO: Mayor Manier and City Council
FROM: Joanie Baxter, Controller *JFB*
DATE: May 29, 2019
SUBJECT: Health Insurance Renewal

As you may recall, the City opted in 2017 to join the Intergovernmental Personnel Benefit Cooperative (IPBC) for both health and life insurance. This was done in an attempt to contain costs and have access to more resources for health and wellness related initiatives. An initial overall cost reduction of 2.4% was realized by this change of insurance programs along with a 2.7% decrease for plan year 2018-19.

Renewal premium increases or decreases are determined by sub-pool of which individual municipalities are a part of if they are not big enough to be determined on their own. Washington is a part of the Quad City sub-pool (QCHIP). Staff was recently informed that based on a 50%/50% split of case and market trend, the QCHIP sub-pool will realize an 8.1% decrease in the premium for the plan year beginning July 1, 2019. The average for all members representing 11,270 lives was a .3% increase with individual increases/decreases ranging from a high of a 15.3% increase (Wood Dale) to a low of a 15.9% decrease (Bloomington). The QCHIP had the most favorable renewal of the six sub-pools.

Due to this decrease, coupled with a 9% increase in dental premiums, contributions for employees are recommended to remain unchanged.

Staff recommends approval of the renewal of the health and life insurance policies with IPBC for July 1, 2019 through June 30, 2020 plan year.

C: Ray Forsythe, City Administrator