



CITY OF WASHINGTON, ILLINOIS
City Council Agenda Communication

Meeting Date: June 1, 2020

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Agenda Item: Health Insurance Renewal – Intergovernmental Personnel Benefit Cooperative (IPBC)

Explanation: 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.

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 show an increase of 5.7% in the premium for the plan year beginning July 1, 2020. The average for all members representing 11,827 lives was a 5.4% increase with individual increases/decreases ranging from a high of a 10.6% increase to a low of a .6% increase. The fully insured market experienced an average 12% increase.

Since changing to IPBC, the City has realized the following decreased/increased premiums:

- PY17-18 -2.4%
- PY18-19 -2.7%
- PY19-20 -8.0%
- PY20-21 +5.7%
 -7.4%

As such, the premiums that will be paid for plan year 20-21 are 7.4% lower than what we were paying in FY16-17. As such, it is recommended that the employee contribution remain unchanged.

Fiscal Impact: The budget for FY20-21 reflects a 6% increase across funds (XXX-XX-450-1000) for a total net expense after employee contributions of \$1,223,588.

Recommendation/Committee Discussion Summary: Staff recommends renewal of the health insurance plan with IPBC for PY20-21.

Action Requested: Approval as part of the Consent Agenda.