



## CITY OF WASHINGTON, ILLINOIS

### City Council Agenda Communication

**Meeting Date:** April 16, 2021

**Prepared By:** Joanie Baxter, Finance Director *JTB*

**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.

A preliminary renewal increase was determined to be 1.7% and thus the budget for FY21-22 reflects that increase. We were recently notified that the final renewal came in at a .2% increase due to the SaveOn program that was added for the plan year. The average increase for IPBC members before this change was made was 3.0%. Staff has been very pleased with the IPBC program and the savings that we have realized since joining it.

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%
- PY21-22        +0.2%  
                      -7.2%

As such, the premiums that will be paid for plan year 20-21 are 7.2% 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 1.7% increase across funds.

**Recommendation/Committee Discussion Summary:** Staff recommends renewal of the health insurance plan with IPBC for PY21-22.

**Action Requested:** Approval as part of the Consent Agenda.