



## CITY OF WASHINGTON, ILLINOIS

### City Council Agenda Communication

**Meeting Date:** June 5, 2023

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

**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 was projected at a 9.7% increase and thus the FY23-24 budget used a 10% increase after considering potential changes in the family status of employees. We were recently notified that the final renewal came in at a 6.76% increase and with a plan year change to calendar year – these rates will be in effect until December 31, 2024. 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%
• PY22-23	-2.1%
• PY23-24	<u>+6.76%</u>
	-2.54%

As such, the premiums that will be paid for plan year 23-24 are 2.54% lower than what we were paying in FY16-17. It is recommended that the employee contribution remain unchanged.

**Fiscal Impact:** The budget for FY23-24 reflects a 10.0% increase across funds.

**Recommendation/Committee Discussion Summary:** Staff recommends renewal of the health insurance plan with IPBC for PY23-24.

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