



CITY OF WASHINGTON, ILLINOIS

City Council Agenda Communication

Meeting Date: October 21, 2024

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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.

The plan year changed to January 1 and thus the premium has remained the same since July 2023. We were recently notified that the final renewal came in at a 5.5% increase. 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 | +6.76% |
| • PY24-25 | <u>+5.50%</u> |
| | +2.96% |

As such, the premiums that will be paid for plan year 24-25 are less than 3% higher than what we were paying in FY16-17. This is amazing considering the health insurance inflation that has been realized during this 8-year period. The City's favorable health insurance benefit package and low premiums are used as a recruiting and retention tool and thus it is recommended that the employee contribution remain unchanged.

Fiscal Impact: The budget for FY24-25 reflects a 6.0% increase across funds and only 4 months of the above increase will be reflected during the current fiscal year.

Recommendation/Committee Discussion Summary: Staff recommends renewal of the health insurance plan with IPBC for PY24-25 with no change in employee contributions.

Action Requested: Approval as part of the Consent Agenda.