

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Intergovernmental Personnel Benefits Cooperative premium renewal rates for January 1, 2024 -December 31, 2024

Staff Contact:

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Summary:

In September of 2017, the City Council approved a Resolution, and the City of Rochelle became a member of Intergovernmental Personnel Benefits Cooperative (IPBC) starting in 2018 in the sub pool known as Quad Cities Health Insurance Pool (QCHIP). Blue Cross/Blue Shield of Illinois is the insurance carrier with only a PPO option to all full-time employees.

The premiums are a shared cost with the city and employees, the cost sharing is set by the respective CBA's and the Employee Handbook.

The IPBC board approved the 2024 premium rates for the members and the sub pools and were presented to the members in third quarter. The renewal rate for Rochelle is 3.36%, which is a slight increase to the premium amounts. In 2022 IPBC aligned our premium increases with our plan year, so our rates now increase on 1/1 of each new year.

For 2024, we researched adding a High Deductible Health Plan (HDHP), along with a Health Savings Account (HSA). The premiums came in at 12.8% lower than the new 2024 current plan rates, with a \$3200 deductible. With the HDHP, employees will have an HSA. Based on current trends, the HDHP will save the City money after the 2nd year. For 2024 the limit is \$4,150 for single and \$8,300 for family. We looked at several vendors for the HSA and chose Central Bank. As an incentive to switch to the HDHP, the City will make a one-time contribution for two years. Year 1 City contribution would be: \$2,000 for Single and \$3,500 for Family. Year 2 City HSA contribution would be: \$1,000 for Single and \$2,800 for Family. Employee would have to be on plan both years to receive both year 1 & 2 contributions. If an employee would join year 2 they would not receive Year 1 contributions.

The total premium increases: family from \$2,147.30 to \$2,219.45 and single from \$837.32 to \$865.45. HDHP total premiums are \$1,951.34 for family and \$760.90 for single.

The premium history: The rate increase is 16.63% increase from 2017 prior to IPBC. This is an average increase of 2.77% over 6 years.

BCBS	2016	\$ 1,888.37	\$ 736.35	
BCBS	2017	\$ 1,915.27	\$ 746.84	
IPBC/BCBS	1/1/2018-06/30/2019	\$ 1,941.52	\$ 757.08	1.37%
IPBC/BCBS	7/1/2019-6/30/2020	\$ 1,786.20	\$ 696.57	-8%
IPBC/BCBS	7/1/2020-6/30/2021	\$ 1,888.01	\$ 736.21	5.70%
IPBC/BCBS	7/1/2021-6/30/2022	\$ 2,078.70	\$ 810.57	10.9%
IPBC/BCBS	1/1/2022-12/31/2023	\$ 2,147.30	\$ 837.32	3.30%

IPBC/BCBS

1/1/2024-12/31/2024

3.36%

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:

Strategic Plan Goal Application:

- Dynamic Planning and evaluation in City wide planning efforts
- budget – A tool to attract and retain quality employees allowing the departments to provide quality service to the City and its residents.

Recommendation: Approve IPBC premium renewal rates for January 1, 2024 – December 31, 2024 and the Health Savings Account City contributions for 2024 and 2025.