

# ROCHELLE CITY COUNCIL AGENDA ITEM MEMO REGULAR MEETING

**SUBJECT:** Intergovernmental Personnel Benefits Cooperative premium renewal rates for July 1, 2022 -December 31, 2023

**Staff Contact:**

Nancy Bingham

**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. IPBC's fiscal year is based on July 1-June 30th and our rate changes with the fiscal year in July even though our plan year is based on the calendar year.

The premiums are a shared cost with the City and employees, those with start date prior to 1/1/2020, currently paying 16% of the monthly premium for single coverage and 19% of the monthly premium for family coverage. Those employees that started after January 1, 2020, they are on "tier 2" with single at 20% and family at 25%. In 2021 we added a 3rd tier, which is a part of the Fire Department CBA, with firefighters shared rates at 16% for single and 19% for family.

The IPBC board approved the 2022/2023 premium rates for the members and the sub pools and were presented to the members in mid-March. The renewal rate for Rochelle is 3.3%, which is a slight increase to the premium amounts. IPBC also voted to align premium increases with plan years and adjust the rates accordingly. Our 3.3% increase is for 18 months, and the next increase will be effective 1/1/2024.

The total premium increases: family from \$2,078.70 to \$2,147.30 and single from \$810.57 to \$837.32

In 2023 we will conduct an RFP to ensure we continue to get the best coverage/rates for both the City and our employees.

The premium history: The rate increase is only a 12.11% increase from 2017 prior to IPBC. This is an average increase of 2.42% over 5 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%

**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 July 1, 2022 – December 31, 2023