



## Agenda Item Summary

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### **Submitted By**

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### **Reviewed By**

LKS

### **Agenda Item Title**

**A Resolution Approving the 2021 Employee Health, Dental, Vision, Life, Accidental Death and Dismemberment, Accident, Critical Illness, Hospital and Prepaid Legal Insurance Providers' Plan Designs and Premiums and Authorizing Their Execution**

### **Overview**

This is an annual agenda item to approve various contract providers for the 2021 Employee Health, Dental, Vision, Life and Accidental Death and Dismemberment Insurance, Voluntary Worksite Benefits (Critical Illness, Accident, Hospital Indemnity, Prepaid Legal) and COBRA administration with Blue Cross Blue Shield (BCBS).

### **Recommendation**

Approve the Resolution.

### **Fiscal Impact**

The proposed 2021 Employee Benefit plan includes:

Health Insurance with Blue Cross Blue Shield of Illinois: (see Exhibit A for premiums)

- 1) Maintaining current employee premiums. 0% increase
- 2) Increasing deductible from \$150 (individual) and \$300 (family) to \$250 (individual) and \$500 (family) for PPO
- 3) Increasing the maximum Out of Pocket from \$1000 (individual) and \$1800 (family) to \$1400 (individual) and \$2400 (family)
- 4) Increasing ER co-pay (for non-admitted) from \$150 to \$200
- 5) Maintaining status quo for office visits and RX co-pays.
- 6) Hearing Aid Coverage expanded pursuant to state law.

Renewal projections from BCBS are based on a two (2) year look back at Village health care expenses from June 1, 2018 through May 1, 2020. Preliminary projections with no changes to plan design were estimated to increase total plan expenses by approximately 1% in 2021. This is following several years of downward trend. Given the current fiscal uncertainty facing the Village and the likely deferral of elective healthcare procedures in 2020 due to the COVID-19 pandemic, the Village instituted several small plan design changes which reduced initial plan expenses from 1% and allowed the Village to maintain the employee premiums with no increase to employee rates in 2021.

Optional Dental Insurance with Delta Dental (See Exhibit A for premiums)

Premiums for optional dental insurance are paid 100% by the employee. Rates decreased by 4% from 2020 with a two-year rate lock, meaning Delta Dental will remain the provider and rates will be status quo in 2022.

Optional Vision Insurance with VSP: (See Exhibit A for premiums)

Premiums for optional vision insurance are paid 100% by the employee. Rates remain stable with a 0% increase with a two-year rate lock through 2022.

Village Life Insurance Benefit and Optional Life & AD&D with Mutual of Omaha:

The life insurance for full-time employees and Voluntary Life and Accidental Death and Dismemberment insurance will continue to be carried through Mutual of Omaha. Rates for Life and AD&D insurance are currently in the second year of a two-year rate guarantee through January 1, 2022.

Optional Worksite Benefits: MetLife

These optional workite benefits were implemented in 2020 and include Critical Illness, Accident, Hospital Indemnity and Prepaid Legal. Premiums for these plans are paid 100% by the employee.

## **Background**

This is an annual agenda item to approve various contract providers for the 2021 Employee Health, Dental, Vision, Life and Accidental Death and Dismemberment Insurance, Voluntary Worksite Benefits (Critical Illness, Accident, Hospital Indemnity, Prepaid Legal) and COBRA administration with Blue Cross Blue Shield (BCBS).

## **Alternatives**

Although the Village is legally required to provide health insurance to its employees and retirees in some form based upon statute and collective bargaining agreements, the Village Board may direct staff to make changes to the plan documents and corresponding plan design and premiums. However, the latitude or extent of any desired changes by the Board is also subject to statute and collective bargaining agreements.

## **Previous Board Action**

N/A

## **Citizen Advisory Commission Action**

N/A

## **Anticipated Future Actions/Commitments**

Should the Village Board approve the execution of the plan documents and resulting plan design and premiums, staff will then proceed to conduct open enrollments meetings in November.

## **Intergovernmental Cooperation Opportunities**

The Intergovernmental Personnel Benefit Cooperative (IPBC) has been discussed in the past. The Village is unique in that we have a self-funded plan that has not seemed to compliment the needs of our partner agencies. We will continue to review where we might find opportunities to partner as we move through the

benefit year.