



Legislation Text

File #: 23-0608, Version: 1

TO: Mayor Richard C. Irvin

FROM: Alisia Lewis, Chief Human Resources Officer

DATE: 7/31/2023

SUBJECT:

A Resolution Establishing Health and Dental Insurance Monthly Rates for Pre-Medicare Retirees Effective January 1, 2024 through December 31, 2024.

PURPOSE:

To establish the 2024 health and dental insurance monthly rates for Pre-Medicare retirees.

BACKGROUND:

The Pre-Medicare retirees through CIGNA is a self-funded plan. January 1, 2018, the City carved out the Post-65 Medicare retirees to a Medicare Advantage Program and set separate funding rates for the active employees and the Pre-Medicare retirees to cover their necessary liabilities under the CIGNA plan.

DISCUSSION:

The OAP offerings have remained stable since January 1, 2016. However, the city's plan on a Retiree Per Year cost is significantly higher than the Mercer Government Benchmark.

Year	CIGNA	Mercer*
2020	20,544	14,000
2021	22,452	14,665
2022	22,500	15,244
2023	23,287	15,625
2024	24,796	16,015

*Mercer's 2023 and 2024 costs are projections assuming a 2.5% increase on PPO.

The city evaluated CIGNA in the Spring and Summer of 2022 for the 2023 plan year. The Human Resources team requested early renewals from CIGNA which they provided. Medical inflation is rising due to medical providers wage increases and specialty medications utilization growth. Renewal is a 4% increase for the Pre-Medicare retirees.

Retiree dental premiums and active employee dental rates are the same and there is no increase for 2024.

2023 and 2024 Pre-Medicare retiree contribution sheets are attached.

IMPACT STATEMENT:

No impact.

RECOMMENDATIONS:

Place on the Finance Committee calendar for approval to City Council.

cc: Finance Committee



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Establishing Health and Dental Insurance Monthly Rates of Contributions for Pre-Medicare Retirees Effective January 1, 2024 through December 31, 2024.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, it has been determined that the pre-Medicare retiree rates set forth herein for health and dental insurance premiums represent equitable and reasonable amounts for eligible retiree and dependent participants in the City health plans:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: that the attached 2024 City of Aurora Medical and dental rates for eligible pre-Medicare retirees and dependents are hereby adopted as hereto and attached.