



Legislation Text

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File #: 23-0606, Version: 1

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**TO:** Mayor Richard C. Irvin

**FROM:** Alisia Lewis, Chief Human Resources Officer

**DATE:** 7/31/2023

**SUBJECT:**

A Resolution Authorizing Blue Cross Blue Shield Blue Advantage HMO (BCBS) for Group Health Care Services for the period of January 1, 2024 through December 31, 2024.

**PURPOSE:**

To establish the 2024 rates for BCBS Blue Advantage HMO medical insurance.

**BACKGROUND:**

The City of Aurora provides a fully insured HMO for active employees through Blue Cross Blue Shield of Illinois.

**DISCUSSION:**

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

Year	HMO	Mercer*
2020	18,312	15,862
2021	18,655	16,258
2022	17,691	16,665
2023	18,930	16,258
2024	19,551	16,664

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

The city evaluated Blue Cross Blue Shield of Illinois, in the Spring and Summer of 2022 for the 2023 plan year. The Human Resources team requested early renewals from BCBSIL which they provided. Medical inflation is rising due to medical providers wage increases and specialty medications utilization growth. The HR team was successful in reducing the original renewal offers from BCBSIL as outlined below:

BCBSIL initial HMO renewal increase was 12%.  
Final Renewal is a 6% rate increase.

The City recommends renewing the HMO with BCBSIL.

Attached are the 2023 and 2024 rates.

**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 Blue Cross Blue Shield Advantage HMO (BCBS) for Group Health Care Services for the period of 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, (Blue Cross Blue Shield Advantage HMO (BCBS) is a federally qualified Health Maintenance Organization with medical centers located in Aurora and the surrounding area; and

WHEREAS, the 2024 proposed City budget will provide funding for this item in employee health account number 602-0000-410.28-05.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: is hereby authorized to execute the BCBS contract for 2024. The HMO rates attached as Exhibit "A" represents a 6% increase.