



Legislation Text

File #: 23-0607, Version: 1

TO: Mayor Richard C. Irvin

FROM: Alisia Lewis, Chief Human Resources Officer

DATE: 7/31/2023

SUBJECT:

A Resolution establishing Cigna Open Access Plan (OAP) and Value HSA(HDHP) Health Plan and Rates Effective January 1, 2024 through December 31, 2024.

PURPOSE:

To affirm the 2024 OAP and Value HSA(HDHP) schedule of benefits and establish the 2024 insurance premium rates of the City's OAP and Value HSA(HDHP) medical insurance.

BACKGROUND:

There are two self-funded plans for active employees through CIGNA. CIGNA's offerings include a Traditional Plan and a High Deductible Health Plan.

The 2023 OAP premium rates were increased 2.5% from the previous year.

DISCUSSION:

The OAP, and HDHP 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 | 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% 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. The renewal rate is a 4% rate increase for the OAP and Value HSA (HDHP).

The City recommends approving the rates for the OAP and Value HSA health plan for 2024.

Attached are the 2023 and 2024 rates for comparison.

IMPACT STATEMENT:

No impact.

RECOMMENDATIONS:

Placed on the Finance Committee calendar for approval by Finance Committee.

cc: Finance Committee



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution establishing OAP and Value HSA(HDHP) Health Insurance Plans and Rates 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, on the basis of past actual experience and projected loss experience, that the OAP and Value HSA (HDHP) rates set forth herein represent equitable and reasonable amounts for eligible participants in the plans.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: the attached 2024 City of Aurora OAP and Value HSA (HDHP) rates of all plans are hereby adopted as attached hereto.