

Human Resources Department

Health Insurance Costs & Evaluating Options



John Light, Director

Darcy Adcock, Assistant Director

December 2, 2021

Presentation to the Finance & Administrative Committee

Up Front: Challenge & Recommendation



- **In the Spring of 2020, Human Resources began researching what options the County has to fight rising health insurance costs.**
 - For example, over the last two years our health insurance costs have risen over 12%.
- **We examined opportunities to offset the increase...**
 - What if...we change benefits? (increase copays, deductibles, etc.)
 - What if....we increase employees contributions?
 - What if....we decrease County contributions to Employee HSA's?
 - What if.....we join an insurance pool?
- **We think these ideas have merit, but when evaluated against what the County and employees might save against the costs the County would incur from the 2nd & 3rd order affects of these areas, we believe that joining an insurance pool would yield the best benefit to the County & Employees.**

Benefits of a pool or cooperative



- **Moving to an insurance pool or cooperative represents the highest return of savings at the lowest expense**
- **Why:**
 - **Preliminary research shows tangible savings over the current overall spend**
 - Greater number of lives in the pool gives us greater bargaining power
 - County spreads risk over a larger “pooled” group
 - County reduces broker/consultant costs (spilt with the group)
 - **Pool could help save the County “soft costs” (staff time) spent on:**
 - Requests for Proposals (Pool handles the process)
 - Clerical expense preparing items for Board action
 - 1095’s (County in-sources this)
 - Department level assistance for OE (indirect staff support)
 - Additional layers of customer service and resources

Pools & Cooperatives - Comparison



- **Local Government Health Plan (State of Illinois)**
 - We do not have control over plan design or providers
 - Would have to change plan designs/bargain changes to plan designs with employees
 - Customer service would not be improved due to a lack of technology
- **Park District Risk Management Agency (PDRMA)**
 - Spoke with PDRMA and colleagues at the Forest Preserve
 - Forest Preserve Board did not elect to move to the PDRMA option
 - Lake County is not eligible to join PDRMA because it is a County
- **Intergovernmental Personnel Benefits Cooperative (IPBC)**
 - We maintain control of the plan design and provider
 - Places Lake County in a pool with other “like” entities – Municipalities, Special Districts & Counties (McHenry & Lake County Forest Preserve)

- **In summary, we recommend moving to a pooled option, the Intergovernmental Personnel Benefits Cooperative (IPBC) for the following reasons:**
 - Cost Savings
 - Increased Customer Service
 - Ability to maintain control of plan design and provider
- **With a change of this nature, we understand the concerns and questions that might be raised, so we recommend you invite the Intergovernmental Personnel Benefits Cooperative (IPBC) to come and present their organization to you.**



Questions?