

Item #8:
Resolution Approving Aetna Insurance & HSA Contribution

VILLAGE OF LONG GROVE

RESOLUTION NO. 2011-R-___

**RESOLUTION AUTHORIZING A HIGH DEDUCTIBLE
HEALTH INSURANCE POLICY WITH AETNA INSURANCE & HEALTH SAVINGS
ACCOUNTS FOR ALL FULL-TIME EMPLOYEES**

WHEREAS, the Village annually requests competitive bids for health insurance providers in an effort to control annual Village expenses; and

WHEREAS, until 2008 the Village had provided traditional PPO health insurance to all full-time employees; and

WHEREAS, In 2008, the Village approved a proposal for a high deductible health insurance plan through Blue Cross Blue Shield PPO for all full-time employees to significantly reduce the annual premium for the Village and encourage employees to proactively manage their health care decisions further reducing future premiums for the Village; and

WHEREAS, in 2008, the Village approved the establishment of individual Health Savings Accounts ("**HSA**") for all full-time Village Employees in an effort to minimize, the potential increased financial exposure by the full-time Village Employees under the high deductible health insurance plan; and

WHEREAS, the Village has obtained a proposal for a high deductible Aetna PPO health insurance for all full-time employees that would further significantly reduce the annual premium for the Village and continue to encourage employees to proactively manage their health care decisions further reducing future premiums for the Village; and

WHEREAS, in recognition of, and in an effort to minimize, the potential increased financial exposure by the full-time Village Employees under the high deductible Blue Cross the Village supports the continued establishment of individual Health Savings Accounts ("**HSA**") for all full-time Village Employees; and

WHEREAS, in order to encourage the utilization of HSAs by full-time Village Employees, the Village desires to fully fund each full-time Village Employee's HSA in the amount of \$6,150 for the first year; and

WHEREAS, the selection of the Aetna High Deductible Health Insurance PPO and fully funding the HSA's for all Full-time Village Employees will reduce Village expenses as opposed to the renewal of the current health insurance plan; and

WHEREAS, the President and Board of Trustees, being fully advised in the premises, have determined that it is in the best interests of the Village and its residents to approve the Aetna High Deductible Health Insurance PPO to establish and full fund the HSA accounts for all Full-time Village Employees for the first year;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1: Authorization. The Village President and Board of Trustees hereby approve the Aetna High Deductible PPO Health Insurance Plan and the Village agrees to fully fund each full-time Village Employee's HSA for the first year. The President and Board of Trustees authorize the Village Manager to execute contracts on behalf of the Village consistent with this Resolution.

Section 2: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this 25th day of December, 2011.

AYES: ()

NAYS: ()

ABSENT: ()

APPROVED this 25th day of December, 2011.

Village President, Maria Rodriguez

ATTEST:

Village Clerk, Karen Schultheis

**Village of Long Grove
Health Insurance Premium History
(2007-2011)**

	2007 Humana Actual	2008 Humana Actual	2009 Humana Proposed	2009 BCBS Actual	2010 BCBS Actual	2011 BCBS Proposed	2011 Aetna Proposed	% Change	\$ Change
Plan Name	PPO 80/80	PPO 80/80	PPO 80/60	HSA 100/80 Plan EPEC1807	HSA 100/80 Plan EPEC1807	HSA 100/80 Plan EPEC1807 Renewal	HSA 100/80 Plan EPEC1807 Prescreened		
Deductible									
Individual (Participating)	\$1,000	\$1,000	\$1,000	\$2,500	\$2,500	\$2,500	\$5,000	50%	\$2,500
Family (Participating)	\$1,000	\$1,000	\$1,000	\$5,000	\$5,000	\$5,000	\$10,000	50%	\$5,000
Coinsurance Maximum									
Individual (Participating)	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0	\$2,500	100%	\$2,500
Family (Participating)	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0	\$5,000	100%	\$5,000
Out of Pocket Maximum*									
Individual (Participating)	\$2,000	\$2,000	\$2,000	\$2,500	\$2,500	\$2,500	\$5,000	50%	\$2,500
Family (Participating)	\$6,000	\$6,000	\$6,000	\$5,000	\$5,000	\$5,000	\$10,000	50%	\$5,000
Provider Network	ChoiceCare	ChoiceCare	ChoiceCare	PPO	PPO	PPO	PPO		
Office Visit Co-Pay	\$20	\$20	\$20	See Plan Design	See Plan Design	See Plan Design	See Plan Design		
Prescription Drug Card	\$10/\$30/\$50/25%	\$10/\$30/\$50/25%	\$10/\$30/\$50/25%	See Plan Design	See Plan Design	See Plan Design	See Plan Design		
Monthly Medical Premium:									
52 Male Family	\$1,099	\$1,991	\$2,245	\$1,001	\$1,204	\$1,486	\$929	63%	-\$557
54 Female Employee & Child(ren)	\$1,573	\$1,381	\$1,539	\$1,001	\$795	\$977	\$524	54%	-\$453
45 Male Family	\$974	\$1,206	\$1,340	\$1,001	\$1,204	\$1,486	\$852	57%	-\$634
64 Male EE&SP	\$730	\$896	\$978	\$655	\$1,077	\$1,077	\$1,213	113%	\$136
Monthly Medical Premium:	\$4,377	\$5,473	\$6,102	\$3,657	\$4,280	\$5,026	\$3,518	70%	-\$1,508
Annual Medical Premium:	\$52,523	\$65,676	\$73,228	\$43,887	\$51,356	\$60,312	\$42,216	70%	-\$18,096
Village HSA Contribution:	\$0	\$0	\$0	\$16,500	\$8,250	\$4,125	\$18,450		
Total Annual Village Cost:	\$52,523	\$65,676	\$73,228	\$60,387	\$59,606	\$64,437	\$60,666	94%	-\$3,771
\$ Difference		\$13,153	\$7,552	(\$12,841)	(\$780)	\$4,831	(\$3,771)		
% Difference		125%	111%	82%	99%	108%	94%		
Projected PPO (w/out HSA)			\$73,228	NA	\$72,282	\$78,139	\$78,139		
High Deductible w/HSA Savings									
Projected Annual Savings \$			\$12,841	NA	\$12,675	\$13,702	\$17,473		
Projected Cumulative Savings \$			NA	NA	\$25,516	\$39,219	\$42,990		

H Group Benefits, Inc.
 899 Skokie Blvd., Ste 240
 Northbrook, IL 60062
 847-564-1640 Phone
 847-564-1648 Fax
 www.hgroupbenefits.com
 Date Prepared: 12/23/10

**Village of Long Grove
 Pre-Screen Rates - Aetna
 Effective 01/01/11**

Plan Name	BCBS		Aetna	
	BlueEdge HSA 100/80 Plan RPEC1807 Embedded Current	IL MC HSA Compatible 90/70 HSA Compatible Embedded Quoted Rates	IL MC HSA Compatible 90/70 HSA Compatible Embedded Prescreened Rates	IL MC 80/60 Prescreened Rates
Deductible				
Individual (Participating)	\$2,500	\$2,500	\$2,500	\$1,000
Family (Participating)	\$5,000	\$5,000	\$5,000	\$5,000
Coinsurance Maximum				
Individual (Participating)	\$0	\$2,500	\$2,500	\$2,000
Family (Participating)	\$0	\$5,000	\$5,000	\$5,000
Out of Pocket Maximum*				
Individual (Participating)	\$2,500	\$5,000	\$5,000	\$3,000
Family (Participating)	\$5,000	\$10,000	\$10,000	\$9,000
Provider Network	PPO (Participating Provider Option)	Managed Choice POS (Open Access)	Managed Choice POS (Open Access)	Managed Choice POS (Open Access)
Office Visit Co-Pay	See Plan Design	See Plan Design	See Plan Design	\$30 / \$50 Physician / Specialist
Prescription Drug Card	See Plan Design	See Plan Design	See Plan Design	\$10 - Generic \$40 - Formulary \$65 - Non Formulary
Medical Premium:				
52 Male Family	\$1,485.90	\$948.00	\$929.00	\$1,299.00
54 Female Employee & Child(ren)	\$977.45	\$534.00	\$524.00	\$733.00
45 Male Family	\$1,485.90	\$870.00	\$852.00	\$1,191.00
64 Male EE&SP	\$1,076.74	\$1,237.00	\$1,213.00	\$1,595.00
Monthly Medical Premium:	\$5,025.99	\$3,569.00	\$3,518.00	\$4,918.00

Rates are subject to Medical Underwriting.
 *Out-of-Pocket maximum is Deductible & Coinsurance and DOES NOT include copays (medical or prescription).
 Out-of-network benefits differ. See Certificate of Insurance for complete details.
 Certain restrictions apply. Price and/or product is subject to change without notice.
 This is strictly a Summary of Benefits. See Certificate of Insurance for complete details. Please do not cancel your existing policy until a group number is issued.
 Please note that Humana charges a monthly administration fee of \$20.00

HSA Plans: Please refer to individual summary of benefits for description and definition of HSA deductibles.