



IPBC

Intergovernmental
Personnel Benefit
Cooperative



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

IPBC 101

GREGG ALEMAN – PUBLIC SECTOR TEAM

SHAWN HAMILTON – PUBLIC SECTOR TEAM

DAVE COOK – EXECUTIVE DIRECTOR

What is the IPBC

- Intergovernmental Agency
- Allowed by the State, Regulated by the DOI and DOL
- Executive Director and Member Driven
- Financial vehicle
- Conservatively funded and reserved
- Preserve plan design and vendor selection freedom
- Managed by the State's preeminent public sector vendors
- Fully transparent
- **Stable, Budgetable, and Predictable**

Who is in the house?

❖ 130 Municipal Members

IPBC Individual Members & Listed Entities (40)

<ul style="list-style-type: none"> ➤ Barrington (7/1/1979) ➤ Bloomingdale (7/1/1984) ➤ Bloomington (1/1/2017) ➤ Buffalo Grove (1/1/2012) ➤ Carol Stream (10/1/1983) ➤ Carpentersville (1/1/2007) ➤ Crystal Lake (5/1/2011) ➤ Deerfield (5/1/2003) ➤ DeKalb (1/1/2008) ➤ Des Plaines (6/1/2003) ➤ Elk Grove Village (5/1/2016) ➤ Evanston (12/1/2009) ➤ Forest Preserve District of DuPage County (1/1/2004) ➤ Franklin Park (11/1/2003) ➤ Glenview (7/1/1979) ➤ Hanover Park (5/1/1981) ➤ Highland Park (1/1/2008) ➤ Hoffman Estates (1/1/2005) ➤ Homewood (1/1/2005) ➤ Kane County (1/1/2016) 	<ul style="list-style-type: none"> ➤ Libertyville (5/1/2006) ➤ Lombard (1/1/2014) ➤ McHenry County (7/1/2017) ➤ Morton Grove (1/1/2007) ➤ Mount Prospect (4/1/1998) ➤ Northbrook (5/1/2003) ➤ Northbrook Library (5/1/2003)* ➤ Oswego (7/1/2010) ➤ Oswego Park District (7/1/2010)* ➤ Park Ridge (5/1/2015) ➤ Rolling Meadows (7/1/1979) ➤ Schaumburg (1/1/2012) ➤ Streamwood (7/1/1979) ➤ JAWA (1/1/2000)* ➤ West Chicago (10/1/1997) ➤ Westmont (7/1/1979) ➤ Westmont Park District (7/1/1979)* ➤ Wheaton (4/1/2003) ➤ Wheeling (7/1/1979) ➤ Wood Dale (7/1/1981)
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❖ 150 or more employees
❖ *Listed Entities

Who is in the house?

IPBC Sub-Pool Members & Listed Entities (90)

SCDCBP Benefit Pool (5)

- Burr Ridge (3/1/1985)
- Clarendon Hills (9/1/1984)
- Darien (9/1/1984)
- Willowbrook (9/1/1984)
- Woodridge (9/1/1984)

SWAHM Benefit Pool (12)

- Crest Hill (8/1/2010)
- Glen Ellyn (1/1/2009)
- Homer Glen (1/1/2009)
- Lemont (7/1/1992)
- Lincolnway Dispatch Center (9/1/2016)
- Lockport (7/1/2008)
- Mokena (7/1/1992)
- New Lenox (7/1/1992)
- Plainfield (7/1/1992)
- WESCOM (7/1/14)*
- IMET (7/1/17)*
- Shorewood (7/1/1992)

EWBC Benefit Pool (12)

- Beecher (11/1/2010)
- Washington Township (9/1/2016)*
- Channahon (1/1/2015)
- Coal City (1/1/2012)
- Crete (11/1/2010)
- Crete Township (11/1/2010)
- Homewood Public Library (7/1/2015)
- Monee (11/1/2010)
- Peotone (11/1/2010)
- Rantoul (5/1/2016)
- South Chicago Heights (5/1/2014)
- Steger (11/1/2010)

NIHII Benefit Pool (26)

- Bensenville (6/1/2011)
- Berkeley (1/1/2018)
- Countryside (8/1/1983)
- Du-Comm (1/1/2017)
- FPD of Kane County (1/1/2016)
- Hinsdale (6/1/1997)
- Indian Head Park (8/1/1983)
- Justice (1/1/2018)
- LaGrange Park (8/1/1983)
- Lisle (10/1/2015)
- Lisle Park District (1/1/2017)
- Lisle Woodridge Fire Protection District (7/1/2017)
- Metropolitan Pier & Exposition Authority (1/1/2012)
- Montgomery (1/1/2018)
- Municipal Consolidated Dispatch (9/1/2017)
- Naperville Park District (1/1/2016)
- North Riverside (10/1/2009)
- Oak Park Public Library (1/1/2015)
- Oak Park Township (1/1/2014)
- River Forest (5/1/2011)
- Rock Falls (1/1/2010)
- Summit (1/1/2017)
- Warrenville (1/1/2016)
- Westchester (7/1/2016)
- West Suburban Consolidated Dispatch Center (1/1/2014)
- Winfield (7/1/2014)

QCHIP Benefit Pool (5)

- Colona (1/1/2017)
- East Moline (1/1/2017)
- Lee County (11/1/2017)
- Princeton (3/1/2017)
- Washington (7/1/2017)

SIHII Benefit Pool (9)

- Collinsville (6/1/2004)
- Effingham (7/1/2016)
- Gateway Center (1/1/2015)
- Glen Carbon (7/1/2013)
- Monroe County (7/1/2017)
- New Baden (7/1/2013)
- Swansea (5/1/2011)
- Trenton (9/1/2014)
- Wood River (1/1/2017)

NWHIP Benefit Pool (21)

- Algonquin (1/1/2014)
- Algonquin Lake in the Hills FPD (5/1/2016)
- Batavia (12/1/2016)
- Beach Park (7/1/2016)
- Boone County (8/1/2017)
- Cary (1/1/2015)
- Gilberts (4/1/2011)
- Glencoe (1/1/2015)
- Highwood (5/1/2016)
- Huntley (7/1/2016)
- Itasca (7/1/2016)
- Lake Zurich (1/1/2017)
- McHenry (1/1/2018)
- Northwest Central Dispatch (1/1/2017)
- Palatine Park District (10/1/2017)
- Roscoe (7/1/2015)
- Schaumburg Township (9/1/2014)
- SEECOM (1/1/2011)
- Spring Grove (7/1/17)
- Wauconda (7/1/17)
- Winnetka (1/1/18)

*Listed Entities

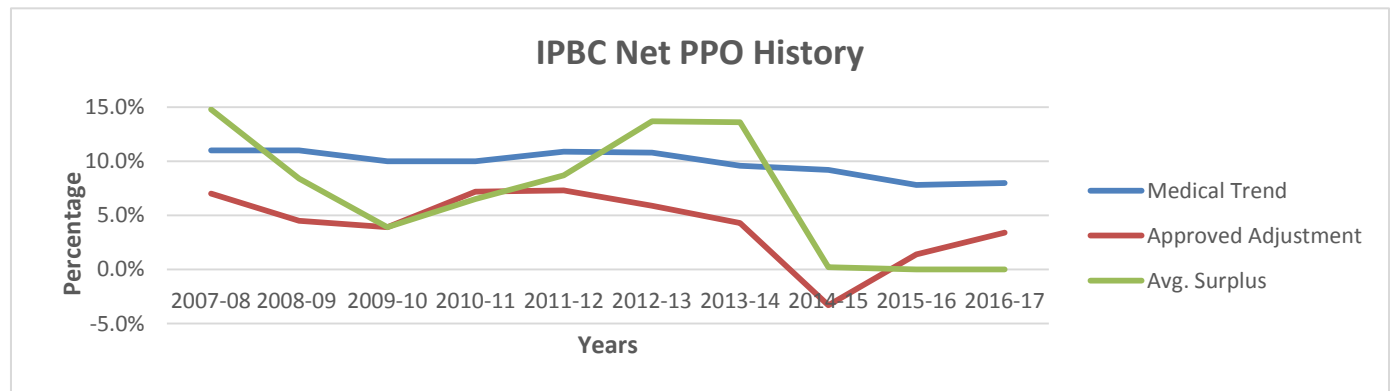
What We Are Not

- One size fits all
- “That’s the way it is”
- The people who say no
- Quoting machine
- Insolvent

IPBC Average PPO Rate History

PPO Rate History

	Medical Trend	Approved Adjustment	Avg. Surplus
2008-09	11.0%	4.5%	8.4%
2009-10	10.0%	3.9%	3.9%
2010-11	10.0%	7.2%	6.5%
2011-12	10.9%	7.3%	8.7%
2012-13	10.8%	5.9%	13.7%
2013-14	9.6%	4.3%	13.6%
2014-15	9.2%	-3.3%	0.2%
2015-16	7.8%	1.4%	2.8%
2016-17	8.0%	3.4%	Pending Audit
2017-18	6.9%	5.2%	TBD



**Varies by member
 ***Medical trend is comprised of medical inflation, changes in types of service, changes in provider contracts, increased age of employee population, plan design leveraging, Healthcare Reform, etc.

Individual Member PPO Five-Year History



IPBC Five Year Renewal History
7/1/2013-7/1/2017

Community	Plan Year					Average*	Variance from IPBC Avg.**	
	7/1/2013	7/1/2014	7/1/2015	7/1/2016	7/1/2017			
Barrington	14.30%	2.20%	11.40%	-6.60%	15.20%	7.30%	↓	5.10%
Bloomington	-5.70%	-10.10%	-1.30%	11.60%	-4.80%	-2.06%	↑	-4.26%
Buffalo Grove	4.20%	-5.20%	7.80%	10.90%	0.80%	3.70%	→	1.50%
Carpentersville	7.10%	-5.90%	4.00%	5.20%	6.00%	3.28%	→	1.08%
Crystal Lake	0.60%	1.60%	-2.20%	5.00%	11.70%	3.34%	→	1.14%
Deerfield	2.40%	1.20%	2.10%	-1.10%	0.30%	0.98%	→	-1.22%
Dekalb	4.50%	0.50%	-8.60%	10.30%	7.20%	2.78%	→	0.58%
Des Plaines	-0.60%	1.30%	4.00%	2.70%	2.60%	2.00%	→	-0.20%
Evanston	7.10%	-4.10%	-5.00%	11.90%	0.30%	2.04%	→	-0.16%
Elk Grove	N/A	N/A	N/A	N/A	3.90%	3.90%	→	1.70%
Evanston	7.10%	-4.10%	-5.00%	11.90%	0.30%	2.04%	→	2.04%
EWBC	7.80%	-8.30%	-8.60%	8.50%	8.90%	1.66%	→	-0.54%
Forest Preserve	7.20%	-9.50%	7.70%	-6.60%	-2.70%	-0.78%	→	-2.98%
Franklin Park	-2.50%	-0.40%	9.40%	9.40%	-2.80%	2.62%	→	0.42%
Glenview	8.40%	-6.50%	8.60%	2.40%	7.80%	4.14%	→	1.94%
Hanover Park	-5.70%	0.90%	4.80%	-4.40%	3.00%	-0.28%	→	-2.48%
Highland Park	3.30%	-6.20%	-6.10%	1.20%	7.90%	0.02%	→	-2.18%
Hoffman Estates	2.90%	-2.70%	4.40%	2.60%	7.50%	2.94%	→	0.74%
Homewood	-2.30%	-13.30%	-2.10%	8.70%	7.80%	-0.24%	→	-2.44%
Kane County	N/A	N/A	N/A	N/A	7.00%	7.00%	↓	4.80%
Libertyville	10.20%	4.10%	7.20%	-5.00%	11.30%	5.56%	↓	3.36%
Lombard	N/A	N/A	-5.50%	8.80%	7.90%	3.73%	→	1.53%
McHenry County	N/A	N/A	N/A	N/A	N/A	N/A		N/A
Morton Grove	8.60%	-2.50%	7.20%	-2.40%	8.80%	3.94%	→	1.74%
Mount Prospect	6.20%	1.60%	1.30%	-3.00%	4.40%	2.10%	→	-0.10%
NIHII	3.30%	-6.00%	4.80%	4.20%	1.10%	1.48%	→	-0.72%
Northbrook	10.60%	-8.60%	1.10%	5.80%	0.00%	1.78%	→	-0.42%
NWHIP	N/A	N/A	N/A	N/A	N/A	N/A		N/A
Oswego	2.20%	2.90%	-2.70%	-6.10%	15.20%	2.30%	→	0.10%
Park Ridge	N/A	N/A	N/A	-6.60%	12.90%	3.15%	→	0.95%
QCHIP	N/A	N/A	N/A	N/A	4.20%	4.20%	→	2.00%
Rolling Meadows	3.60%	-5.60%	-4.40%	-1.80%	-3.50%	-2.34%	↑	-4.54%
Schaumburg	5.10%	-2.60%	-1.40%	6.20%	9.00%	3.26%	→	1.06%
SIHII	N/A	4.30%	1.30%	6.40%	8.90%	5.23%	↓	3.03%
Streamwood	5.40%	-1.60%	-8.60%	4.70%	14.70%	2.92%	→	0.72%
SWAHM	2.10%	-4.50%	3.90%	2.50%	7.00%	2.20%	→	0.00%
West Chicago	-4.40%	-4.00%	-8.60%	13.40%	-1.60%	-1.04%	↑	-3.24%
Westmont	4.30%	-5.50%	11.40%	-1.40%	3.20%	2.40%	→	0.20%
Wheaton	8.40%	-8.10%	2.10%	6.20%	2.70%	2.26%	→	0.06%
Wheeling	1.00%	1.20%	2.30%	7.10%	6.00%	3.52%	→	1.32%
Wood Dale	9.80%	-9.30%	-3.40%	4.40%	9.30%	2.16%	→	-0.04%
IPBC	4.30%	-3.30%	1.40%	3.40%	5.20%	2.20%		0%

*Average calculated using arithmetic mean

Communities with green arrows received an average renewal that is at least 3% lower than IPBC average

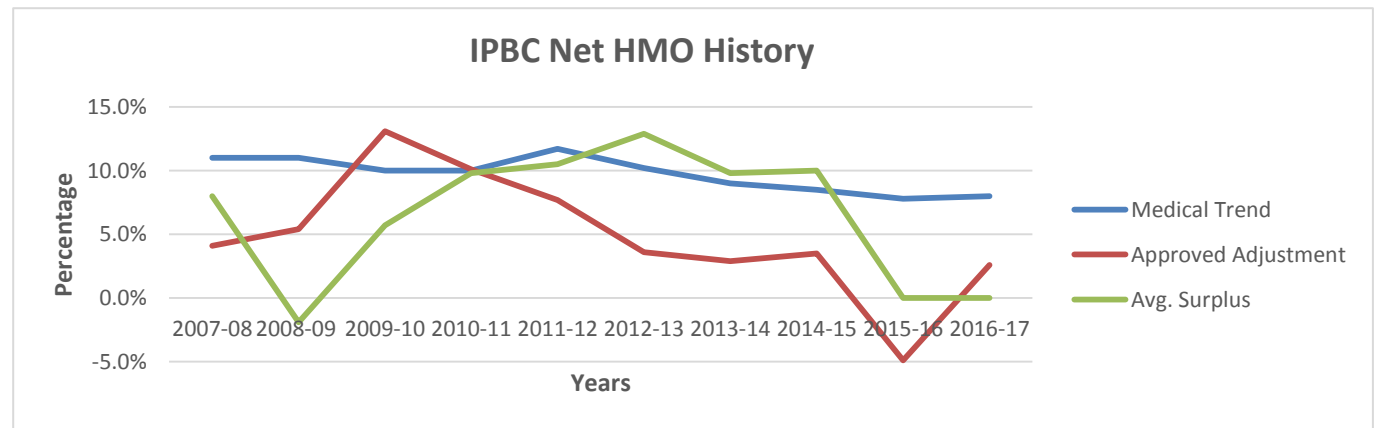
Communities with red arrows received an average renewal that is at least 3% higher than IPBC average

Communities with yellow arrows received an average renewal that is +/- 3% of the IPBC average

IPBC Average HMO Rate History

HMO Rate History

	Medical Trend	Approved Adjustment	Avg. Surplus
2007-08	11.0%	4.1%	8.0%
2008-09	11.0%	5.4%	-1.9%
2009-10	10.0%	13.1%	5.7%
2010-11	10.0%	10.1%	9.8%
2011-12	11.7%	7.7%	10.5%
2012-13	10.2%	3.6%	12.9%
2013-14	9.0%	2.9%	9.8%
2014-15	8.5%	3.5%	10.0%
2015-16	7.8%	-4.9%	6.4%
2016-17	8.0%	2.6%	Pending Audit
2017-18	6.9%	2.7%	TBD



**Varies by member
 ***Medical trend is comprised of medical inflation, changes in types of service, changes in provider contracts, increased age of employee population, plan design leveraging, Healthcare Reform, etc.

Banded Layer (example)

Member responsibility

We're all in this together

IPBC PPO/EPO BANDED LAYER REALLOCATION EXHIBIT
 BANDED CLAIMS BETWEEN \$35k AND \$125k YTD
 JULY 2015 THROUGH JUNE 2016
 Data Through June 30, 2016



A	B	C	D	E	F	G	H	I	J	K
Participant	Average Monthly Employees	Actual Paid Claims under \$35,000	Actual Paid Claims \$35,000 to \$125,000	Total Actual Claims Under Stop Loss (C + D)	# of Claimants Over \$35,000	Actual Paid Claims \$35K to \$125K PEPM (D / B)	Reallocated Claims \$35K to \$125K PEPM	Reallocated Claims \$35K to \$125K (B * H)	Claims (Forgiven)/ Assessed (I - D)	% Banded Layer Claims of Total (D / E)
Barrington (U)	52	\$701,583	\$170,197	\$871,780	6	\$272.32	\$191.93	\$119,959	(\$50,238)	19.5%
Bloomington (B)	10	\$148,700	\$10,716	\$159,415	1	\$87.12	\$191.93	\$23,608	\$12,892	6.7%
Buffalo Grove (B)	223	\$2,969,550	\$797,759	\$3,767,309	20	\$298.12	\$191.93	\$513,616	(\$284,144)	21.2%
Carpentersville (B)	159	\$2,135,703	\$431,811	\$2,567,513	10	\$226.55	\$191.93	\$365,826	(\$65,984)	16.8%
Crystal Lake (B)	253	\$3,064,392	\$428,077	\$3,492,469	19	\$140.86	\$191.93	\$583,288	\$155,211	12.3%
Deerfield (B)	177	\$1,972,793	\$401,647	\$2,374,441	8	\$189.64	\$191.93	\$406,516	\$4,869	16.9%
DeKalb (B)	261	\$3,044,179	\$728,114	\$3,772,293	23	\$232.48	\$191.93	\$601,138	(\$126,977)	19.3%
Des Plaines (B)	315	\$4,297,151	\$993,721	\$5,290,871	29	\$262.75	\$191.93	\$725,895	(\$267,826)	18.8%
DuPage Forest Preserve (B)	151	\$1,429,133	\$341,302	\$1,770,434	10	\$187.84	\$191.93	\$348,744	\$7,443	19.3%
Elk Grove Village (B)	295	\$570,581	\$6,719	\$577,300	1	\$11.39	\$191.93	\$113,241	\$106,523	1.2%
EPO Plan (U)	29	\$267,162	\$158,405	\$425,567	3	\$463.17	\$191.93	\$65,641	(\$92,764)	37.2%
Evanston (B)	581	\$7,043,513	\$1,437,336	\$8,480,849	54	\$206.31	\$191.93	\$1,337,205	(\$100,131)	16.9%
EWBC (B)	283	\$1,683,740	\$384,851	\$2,068,591	15	\$184.23	\$191.93	\$400,950	\$16,099	18.6%
TOTAL	7,642	\$87,477,106	\$17,600,933	\$105,078,039	555	\$191.93	\$191.93	\$17,600,933	(\$0)	16.8%

> PPO/EPO Networks: B = Blue Cross, C = CIGNA, U = UHC

Report Summary/Commentary:

-Claims between \$35,000 and \$125,000 are in the banded layer. These claims are shared on a per employee basis among all individual members in the PPO/EPO plan. Individual members are responsible for their own claims under \$35,000.

-Compares the actual banded layer claims by member converted to PEPM (column G) to the IPBC average (column H or total from column G). This average from column H is then reallocated to each member (column I) and the reallocated claims are carried to the loss ratio report along with the claims under \$35,000 and the reallocated claims over \$125,000. The difference represents the amount forgiven/assessed in column J.

Column C: 98% of your people, 85% of your claim spend (predictable)

Column D: 2% of your people, 15% of your claim spend (unpredictable, fluctuations)

PPO Member Renewal



IPBC July 1, 2014 PPO and EPO Medical Renewal Pooled Increase - Final Renewal

75% Case Trend, 25% Market Trend
PROJECTION PERIOD: 7/1/14 TO 6/30/15
EXPERIENCE PERIOD: 1/1/12 TO 12/31/13

IPBC Member renewal. Each community can range a maximum of 10 points up or down from the IPBC average.

MEMBER COMMUNITY	EMPLOYEES at Dec-13	#1	#2
		INDIVIDUAL ADJUSTMENT	POOLED ADJUSTMENT WITH CURRENT BANDING STRUCTURE ± 10% FROM AVERAGE, NO INTERIOR BANDING
Barrington	70	2.2%	2.2%
Bloomington	12	-10.1%	-10.1%
Buffalo Grove	236	-5.2%	-5.2%
Carol Stream	37	-10.2%	-10.2%
Carpentersville	157	-5.9%	-5.9%
Central Lake JAWA	18	-1.6%	-1.6%
Crystal Lake	255	1.6%	1.6%
Deerfield	178	1.2%	1.2%
DeKalb	329	0.5%	0.5%
Des Plaines	366	1.3%	1.3%
DuPage Forest Preserve	160	-9.5%	-9.5%
EPO Plan	42	-0.9%	-0.9%
Evanston	541	-4.1%	-4.1%
EWBC	128	-8.3%	-8.3%
TOTAL	6,742	-3.3%	-3.3%

CURRENT BANDING STRUCTURE - 10% UP AND DOWN FROM AVERAGE, NO INTERIOR BANDING
9.3% ANNUAL TREND

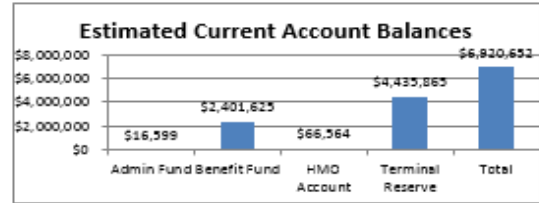
Member Dashboard *Tutorial available

**City of Des Plaines
IPBC Financial Summary
July 2016 Through June 2017 Plan Year
Data Through February 28, 2017**



Account Summary

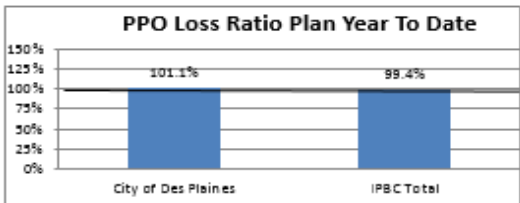
Account	Estimated Account Balance as of 6/30/16	Transfers/Withdrawals Plan Year To Date	Estimated Gain(Loss) Plan Year To Date	Estimated Account Balance as of 2/28/17
Admin Fund	\$16,539	\$0	(\$0)	\$16,539
Benefit Fund	\$2,456,116	\$0	(\$54,439)	\$2,401,625
HMO Account	\$0	\$0	\$66,564	\$66,564
Terminal Reserve	\$4,410,937	(\$70,113)	\$34,361	\$4,435,865
Total	\$6,883,712	(\$70,113)	\$107,053	\$6,920,652



> The estimated gain/loss numbers are unaudited and subject to change.
> An estimate of the change in IBNR has been included in the above numbers.

PPO Experience Summary

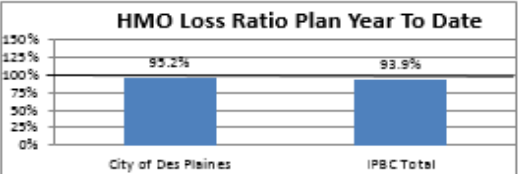
Category	City of Des Plaines	IPBC Total
Average Monthly Enrollment	311	3,035
PPO Loss Ratio	101.1%	99.4%
PPO Funding Variance	(\$33,328)	\$607,534
PEPM Banded Layer Claim Cost (\$35k - \$125k)*	\$143.74	\$142.07
# of Claims In Banded Layer	16	303



*PEPM = Per Employee Per Month

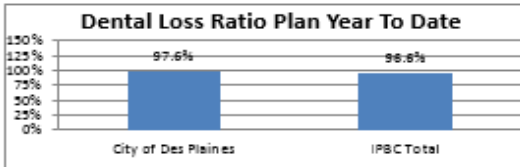
HMO Experience Summary

Category	City of Des Plaines	IPBC Total
Average Monthly Enrollment	102	4,639
HMO Loss Ratio	95.2%	93.9%
HMO Surplus(Deficit)	\$50,321	\$2,433,786
Reallocated Surplus(Deficit)	\$73,271	\$2,433,786



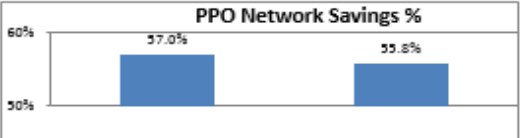
Dental Experience Summary

Category	City of Des Plaines	IPBC Total
Average Monthly Enrollment	463	6,607
Dental Loss Ratio	97.6%	96.6%
Dental Funding Variance	\$7,134	\$128,116



PPO Network Summary

Category	City of Des Plaines	IPBC Total (For BCBS Network)
Network Savings %	57.0%	55.8%
Network Utilization %	99.9%	98.7%



Differentiators

- Proactive
- Port/Retain plan design
- Access to information/data
- Purchasing power
- Dedicated Municipal service team
- Budgetable, Predictable, Stable, and Flexible
- Full disclosure and Transparency
- Intangibles
- Your peers