

## Employee Healthcare Contributions

**Employee Healthcare Contributions:** The City offers employees the option of healthcare coverage, for which employees contribute a percentage of their wages.

### Background

Each employee who elects to have healthcare coverage pays a percentage of their wages on all amounts up to \$90,000 of their salary, as listed below. Because the City is self-insured, the City bears the risk for costs in excess of what is paid by employees.

Family Type	Rate	Average annual employee contribution (salary of \$73,000)	Maximum annual employee contribution (salary over \$90,000)
Single	1.29%	\$942	\$1,161
Single +1	1.99%	\$1,453	\$1,791
Family	2.48%	\$1,810	\$2,232

City employees may choose either a Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO) plan. Under the HMO option, employees are only responsible for office visit, specialist visit, and emergency room visit co-pays (\$25, \$35, and \$150 respectively), and prescription drug co-pays between \$10 and \$90 depending on the drug and whether the purchase is retail or by mail. PPO plan members, in addition to similar co-pays, also have a deductible, a cap on total out of pocket expenses, and an in-network hospital co-pay.

Below is a premium comparison between the State of Illinois employees, Illinois Exchange (Get Covered Illinois), and City of Chicago healthcare plans. Exchange premiums are estimated based on average demographics, and the range is for Bronze-Gold plans.<sup>1</sup> State of Illinois premiums are capped for salaries above \$100,000 (compared to \$90,000 for the City).

Family Type	Exchange premium, HMO	Exchange premium, PPO	State of Illinois premium, HMO	State of Illinois premium, PPO	City of Chicago premium, HMO/PPO
Single	\$1,932-\$2,676	\$2,841-\$2,858	\$2,232	\$2,532	\$1,161
Single +1	\$6,080-\$8,421	\$5,957-\$8,994	\$3,384	\$5,520	\$1,791
Family	\$6,795-\$9,411	\$6,363-\$10,052	\$3,816	\$5,976	\$2,232

### Legal Authority

Plan structure, premiums, deductibles, etc. for employees represented by a union (which constitute 91% of budgeted City positions) are governed by the collective bargaining agreements with those unions.

<sup>1</sup> Health exchange plans fall into three categories: Gold, Silver, and Bronze, depending on how generous the benefits are. Gold plans have the greatest number of benefits, while Bronze plans are the most basic plans allowed on the exchange.