

CITY OF BATAVIA

TO: Daniel Chanzit, Chairman, Government Services
FROM: Laura Newman, City Administrator
DATE: September 12, 2019
RE: RES 19-104-R Authorization to Enter into a Settlement Agreement with Gallagher Benefit Services for Reimbursement of Medical Expenses

Prior to December 1, 2016, the City of Batavia was self-insured for medical expenses incurred by employees enrolled in and covered by the City's medical benefit plan. A covered employee incurred a high-value claim during the time that the City was self-insured. There was a dispute between the hospital and the City regarding the amount owed but the parties have come to a mutually agreeable settlement of this matter in the amount of \$450,000. The original invoice for this claim was not received by the city until after the City had joined the Intergovernmental Personnel Benefits Cooperative (IBPC), through its benefits consultant Gallagher Benefits Services, (GBS). GBS, has agreed to reimburse the City for \$225,000 in exchange for the City's execution of a settlement agreement.

Resolution 19-104-R gives the City Administrator authorization to enter into a settlement agreement with GBC in exchange for GBS's reimbursement of \$225,000 of the cost of the aforementioned medical claims.

Cc: Mayor
Peggy Colby

**CITY OF BATAVIA, ILLINOIS
RESOLUTION 19-104-R**

**AUTHORIZATION TO ENTER INTO A
SETTLEMENT AGREEMENT WITH GALLAGHER
BENEFIT SERVICES FOR REIMBURSEMENT OF
MEDICAL COSTS**

WHEREAS, the City of Batavia (the “City”) Illinois was self-insured for medical expenses prior to December, 2016, and,

WHEREAS, medical expenses were incurred by a covered employee in 2016 at Ann and Robert H. Lurie Children’s Hospital of Chicago (LCH) during the term that the City was self-insured; and,

WHEREAS, the City joined the Intergovernmental Personnel Benefits Cooperative (IPBC) through Gallagher Benefit Services, (GBS) its benefits consultant in December 2016, and

WHEREAS, the invoice from the 2016 medical expenses at LCH was not received until after the City had joined IPBC, and

WHEREAS, GBS has agreed to reimburse the City for \$225,000 of these medical expenses; and,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Batavia, Kane and DuPage Counties, Illinois, as follows:

SECTION 1. The City Administrator is authorized to enter into and to sign an agreement with Gallagher Benefit Services, on behalf of the City of Batavia, for reimbursement of \$225,000 of medical expenses.

CITY OF BATAVIA, ILLINOIS RESOLUTION 19-104-R

PRESENTED to and **PASSED** by the City Council of the City of Batavia, Illinois, this 16th day of September 2019.

APPROVED by me as Mayor of said City of Batavia, Illinois, this 16th day of September 2019.

Jeffery D. Schielke, Mayor

Ward	Aldermen	Ayes	Nays	Absent	Abstain	Aldermen	Ayes	Nays	Absent	Abstain
1	O'Brien					Salvati				
2	Callahan					Wolff				
3	Meitzler					Chanzit				
4	Malay					Knopp				
5	Uher					Beck				
6	Cerone					Russotto				
7	McFadden					Miller				
Mayor Schielke										
VOTE:		Ayes	Nays	Absent	Abstentions					
Total holding office:		Mayor and 14 aldermen								

ATTEST:

Ellen Posledni, City Clerk