

MOTION:

SECOND:

**RE: AUTHORIZATION TO RENEW MEDICAL, DENTAL, AND VISION
 INSURANCE PLANS FOR PRTC AND VRE EMPLOYEES**

ACTION:

WHEREAS, the Potomac and Rappahannock Transportation Commission (“PRTC” or the “Commission”) offers medical insurance for PRTC/VRE employees through Aetna and Kaiser Permanente, supplemental dental insurance through the Delta Dental Plan of Virginia, and supplemental vision insurance through Advantica, providing employees a choice of health care options and providers to accommodate all employees regardless of whether they live in Virginia, Maryland, or DC; and

WHEREAS, PRTC has received renewal rates from all four providers with premium changes that are deemed reasonable and are within the amounts included in the proposed FY19 budget; and

WHEREAS, management recommends awarding one-year renewal contracts to Aetna and Kaiser Permanente for medical insurance, retaining the same employer/employee percentages used to split premium costs since FY10; and

WHEREAS, management also recommends awarding one-year renewal contracts to Delta Dental Plan of Virginia for dental insurance and Advantica for vision insurance, offering 100 percent employer paid premiums for PRTC and VRE employees.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to renew one-year contracts with Aetna, Kaiser Permanente, Delta Dental Plan of Virginia, and Advantica for medical, dental, and vision insurance coverage effective July 1, 2018.

BE IT FURTHER RESOLVED that the Potomac and Rappahannock Transportation Commission also approves management’s recommendation to retain the existing employer/employee premium arrangements for the medical insurance plans, and 100 percent employer paid premiums for dental and vision insurance.

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June 7, 2018
PRTC Regular Meeting
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Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:

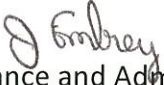



Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

June 7, 2018

TO: Madam Chair Anderson and PRTC Commissioners

FROM: Joyce Embrey 
Director of Finance and Administration

THROUGH: Robert A. Schneider, PhD 
Executive Director

RE: Authorization to Renew Medical, Dental and Vision Insurance Plans for
PRTC and VRE Employees

Recommendation:

Authorize renewal of medical, dental, and vision insurance plans for PRTC and VRE employees.

Background:

The Commission offers medical insurance for PRTC/VRE employees through Aetna and Kaiser Permanente, supplemental dental insurance through the Delta Dental Plan of Virginia, and supplemental vision insurance through Advantica, providing employees a choice of health care options and providers to accommodate all employees regardless of whether they live in Virginia, Maryland, or DC.

PRTC has received renewal rates from all four providers with premium changes that are deemed reasonable and are within the amounts included in the proposed FY19 budget. The premium changes are as follows:

- Aetna's renewal premiums average an increase of 1.61 to 6.64 percent, depending on plan and tier selected
- Kaiser's renewal premiums for all tiers remained the same as last year
- Delta Dental's renewal premiums remained the same for all tiers, with the second year of a two year rate guarantee
- Advantica's renewal premiums remained the same for all tiers, with the second year of a three year rate guarantee

The average Aetna premium increase of 4.2 percent is lower than the national trend of 10.5 percent, while no change to the Kaiser premiums is significantly lower than the current national trend. The FY19 proposed budget assumed a 13 – 15 percent increase for the employer share of health insurance premiums. There were no plan design changes to any of the medical, vision and dental plans offered.

PRTC management recommends retaining the methodology adopted in FY08 in which specified percentages are applied to a mid-priced medical insurance plan to establish the employer participation rate in absolute dollar terms, which then becomes the amount for lesser cost and greater cost plan options. Management recommends retaining the use of FY10 percentages for the employer share of the premium for the mid-priced plan (i.e., Aetna Health Network Only 500A Open Access HMO): 94 percent for single coverage, 80 percent for spouse and child(ren) coverage, and 74 percent for family coverage. The resulting amount in absolute dollar terms is also the employer participation amount proposed for the other plan options (Aetna Health Network Option 100/70 500A Open Access POS, Aetna IH PPO 100/70 500A, and Kaiser HMO). Employees have the choice of opting for a higher cost plan, provided they bear a higher premium cost. Employees who choose the Kaiser option continue to bear no out-of-pocket cost for medical insurance premiums.

Management recommends awarding one-year renewal contracts to Aetna and Kaiser Permanente for medical insurance, retaining the same employer/employee percentages used to split premium costs since FY10. Management also recommends awarding one-year renewal contracts to Delta Dental Plan of Virginia and Advantica, offering 100 percent employer paid premiums to all enrollees for the dental and vision plans.

Fiscal Impact:

The employer share for the medical, dental, and vision insurance premiums is within the dollar limits included in the proposed FY19 budget. A summary of the estimated FY19 medical, dental, and vision insurance costs is provided as an attachment.

Attachment: As stated

PRTC Estimated FY19 Medical, Dental, and Vision Insurance Costs

Insurance Carrier/Plans	Employer Current Monthly Cost	Employer Renewal Monthly Cost	Employer Monthly Difference	Employer Current Annual Cost	Employer Renewal Annual Cost	Employer Annual Difference	% Increase/Decrease
Medical							
Aetna (all 3 plans combined) ^	9,327.00	9,624.00	297.00	111,924.00	115,488.00	3,564.00	3.18%
Kaiser HMO ^	41,970.00	41,970.00	-	503,640.00	503,640.00	-	0.00%
Subtotal Medical	51,297.00	51,594.00	297.00	615,564.00	619,128.00	3,564.00	0.58%
Dental							
Delta Dental ^	3,525.00	3,525.00	-	42,300.00	42,300.00	-	0.00%
Vision							
Advantica ^	291.00	291.00	-	3,492.00	3,492.00	-	0.00%
Total Estimated Cost to PRTC				661,356.00	664,920.00	3,564.00	0.54%

^ Based on current enrollment