

**MOTION:**

**SECOND:**

**RE:            AUTHORIZATION TO RENEW MEDICAL, DENTAL, AND VISION INSURANCE PLANS  
FOR POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION AND  
VIRGINIA RAILWAY EXPRESS EMPLOYEES**

**ACTION:**

**WHEREAS**, the Potomac and Rappahannock Transportation Commission (“PRTC” or the “Commission”) offers medical insurance for PRTC/Virginia Railway Express (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 FY20 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 for the Aetna HMO plan since FY10, and capping the percentage change in employee share of the premium increase for the other two Aetna plans to match the employee percentage increase for the Aetna HMO plan, due to claims anomalies, while offering Kaiser Permanente at no premium cost to employees; 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, 2019.

**BE IT FURTHER RESOLVED** that the Potomac and Rappahannock Transportation Commission also approves management’s recommendation regarding employer/employee premium arrangements for the Aetna and Kaiser Permanente medical insurance plans, and 100 percent employer paid premiums for Delta Dental and Advantica vision insurance plans.

**Votes:**

**Ayes:**

**Nays:**

**Abstain:**

**Absent from Vote:**

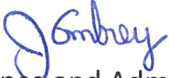
**Alternate Present Not Voting:**


**Absent from Meeting:**



June 6, 2019

TO: Madam Chair Anderson and PRTC Commissioners

FROM: Joyce Embrey   
Director of Finance and Administration

THROUGH: Robert A. Schneider, PhD   
Executive Director

SUBJECT: Authorization to Renew Medical, Dental, and Vision Insurance Plans for Potomac and Rappahannock Transportation Commission and Virginia Railway Express Employees

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Recommendation:

Authorize renewal of medical, dental, and vision insurance plans for Potomac and Rappahannock Transportation Commission (PRTC) and Virginia Railway Express (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 FY20 budget. The premium changes are as follows:

- Aetna's renewal premiums average an increase of 11.84 to 17.29 percent, depending on plan and tier selected
- Kaiser Permanente's renewal premiums for all tiers remained the same as last year
- Delta Dental's renewal premiums remained the same for all tiers
- Advantica's renewal premiums remained the same for all tiers, with the third year of a three year rate guarantee

The FY20 proposed budget assumed a 13 – 15 percent increase for the employer share of health insurance premiums. There were no plan design changes with Kaiser Permanente, Delta Dental, or Advantica. The renewal plans for Aetna included changes in copays for some services and prescriptions, lower out-of-pocket maximum for in-network benefits, but higher deductibles and out-of-pocket maximum for out-of-network benefits.

Management recommends awarding one-year renewal contracts to Aetna and Kaiser Permanente for medical insurance, retaining the use of FY10 percentages for the employer share of the premium for the Aetna HMO plan (i.e., Aetna VA 18 Health Network Only 20/40 100 RX1): 94 percent for single coverage, 80 percent for spouse and child(ren) coverage, and 74 percent for family coverage. Management recommends that the percentage change in employee share of the premium increase for the other two Aetna plans (VA 18 Health Network Option 20/40 100/80 RX1 POS and VA 18 PPO 20/40 100/80 RX1) be capped at the Aetna HMO plan's employee percentage increase (11.83 – 11.86%) due to claims anomalies, which will be revisited next year. Employees who choose the Kaiser Permanente option continue to bear no out-of-pocket cost for medical insurance premiums.

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 FY20 budget. A summary of the estimated FY20 medical, dental, and vision insurance costs is provided as an attachment.

Attachment: As stated

PRTC Estimated FY20 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
<b>Medical</b>							
Aetna (all 3 plans combined) ^	11,844.00	13,560.00	1,716.00	142,128.00	162,720.00	20,592.00	14.49%
Kaiser HMO ^	39,130.00	39,130.00	-	469,560.00	469,560.00	-	0.00%
Subtotal Medical	50,974.00	52,690.00	1,716.00	611,688.00	632,280.00	20,592.00	3.37%
<b>Dental</b>							
Delta Dental ^	3,373.00	3,373.00	-	40,476.00	40,476.00	-	0.00%
<b>Vision</b>							
Advantica ^	270.00	270.00	-	3,240.00	3,240.00	-	0.00%
dnd				655,404.00	675,996.00	20,592.00	3.14%

^ Based on current enrollment