

Agreements for Health Insurance Services for Calendar Year 2026

Background



PRISM Overview:

- Joined Public Risk Innovation Solutions and Management (PRISM) medical purchasing program in 2015
 - Shared risk with members where rates are renewed as a single pool
 - Pool is offered to counties, cities, and special districts



Goal: Provide cost-sharing structure, manage utilization, educate employees to be better healthcare consumers, and implement a health risk management program



Plan Participants:

- Administrative Employees
- Parts Clerks and Facility Technicians represented by the TCU/IAM-AW*
- Coach Operators represented by Teamsters Local 952

**TCU/IAM-AW – Transportation Communications Union/International Association of Machinists and Aerospace Workers*

Current Plan Offerings

Plans through PRISM:

- Medical Insurance (Anthem HMO, PPO and CDHP, and Kaiser)
- Dental Insurance (Delta Dental HMO and PPO)
- Vision Insurance (VSP Choice)
- Life Insurance (Voya)
- Accidental Death and Dismemberment Insurances (Voya)
- Short-Term and Long-Term Disability Insurance (Voya)
- Employee Protected Leave Administration (Voya)

Plan outside of PRISM Pool:

- Dental Insurance (Delta Dental HMO for Coach Operators)

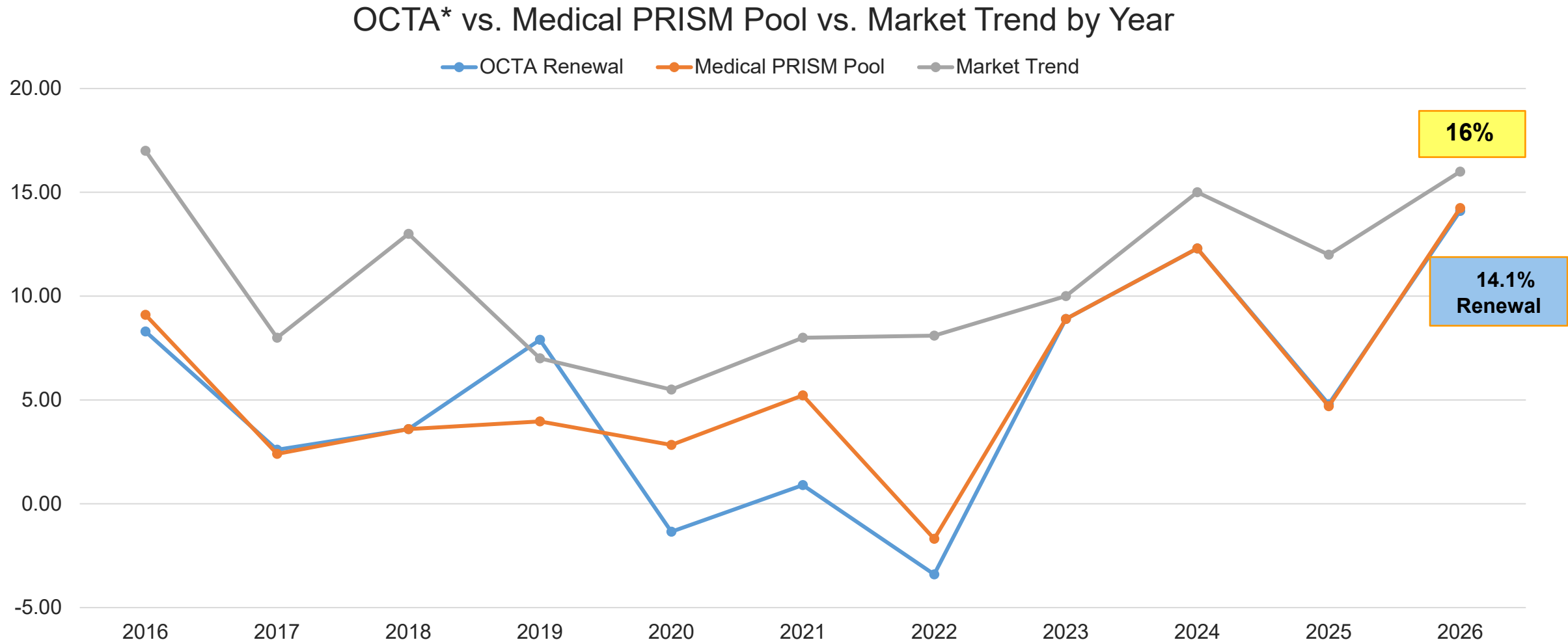
CDHP – Consumer Driven Health Plan

HMO – Health Maintenance Organization

PPO – Preferred Provider Organization

VSP – Vision Services Plan

OCTA Medical Plan Renewal Trends



*OCTA – Orange County Transportation Authority

2026 Renewal Rate Changes

2026 medical renewals are based on the most recent 12 months of actual claim data (March 2024 through February 2025)



Higher number of catastrophic claims that exceeded \$1M.



High-cost specialty pharmaceutical drugs and greater usage.



Higher supply chain costs on supplies, equipment, and therapies.



Increased labor costs.

Financial Summary

ORANGE COUNTY TRANSPORTATION AUTHORITY				
FINANCIAL OVERVIEW				
Effective January 1, 2026				
Plan/Coverage		Current Annual Cost	Renewal Annual Cost	% Δ
MEDICAL	EEs			
PRISM-Kaiser Admin/TCU HMO	190	\$3,863,784	\$4,407,432	14.1%
PRISM-Kaiser Coach Operators HMO	550	\$11,238,972	\$12,819,264	14.1%
PRISM-Anthem HMO Admin/TCU	110	\$2,498,472	\$2,849,904	14.1%
PRISM-Anthem HMO Coach Operators	55	\$1,317,516	\$1,502,856	14.1%
PRISM-Anthem PPO Admin/TCU	74	\$1,973,760	\$2,251,464	14.1%
PRISM-Anthem PPO Coach Operators	69	\$1,687,008	\$1,924,452	14.1%
PRISM-Anthem CDHP Admin/TCU	152	\$3,293,952	\$3,757,248	14.1%
DENTAL				
PRISM-Delta Admin/TCU DHMO	60	\$26,294	\$26,294	0.0%
Direct-Delta Coach Operators DHMO	114	\$38,814	\$38,814	0.0%
PRISM-Delta Admin/TCU DPPO	474	\$684,104	\$699,460	2.2%
PRISM-Delta Coach Operators DPPO	535	\$580,900	\$593,876	2.2%
VISION				
PRISM-VSP Base Vision Plan Admin/TCU	400	\$156,679	\$156,679	0.0%
PRISM-VSP Buy-up Vision Admin/TCU (cost neutral)	140	\$70,584	\$70,584	0.0%
PRISM-VSP Vision Coach Operators	625	\$97,692	\$97,692	0.0%
BASIC LIFE/AD&D				
PRISM-Voya Life/AD&D Admin/TCU	574	\$196,215	\$198,250	1.0%
PRISM-Voya Life/AD&D Coach Operators	674	\$77,454	\$77,454	0.0%
SHORT TERM DISABILITY				
PRISM-Voya Short Term Disability Admin	518	\$32,523	\$35,254	8.4%
LONG TERM DISABILITY				
PRISM-Voya Long Term Disability Admin/TCU	556	\$145,624	\$155,324	6.7%
FMLA Leave Administration				
Voya	1400	\$25,032	\$25,032	0.0%
TOTAL ANNUAL PREMIUM		\$28,005,381	\$31,687,334	
ANNUAL DOLLAR CHANGE			\$3,681,953	
ANNUAL PERCENT CHANGE			13.1%	

Recommendations



Remain in PRISM to continue benefiting from lower-than-market renewal rates.



Execute agreements to continue medical, dental, vision, life, accidental death and dismemberment, and short-term and long-term disability insurances and employee protected leave administration with PRISM through December 31, 2026.



Execute agreement to continue dental HMO insurance with Delta Dental for Coach Operators through December 31, 2026.