

# **Agreements for Health Insurance Services**

# Background

## **Each year, OCTA renews employee benefits, including:**

- Medical insurance
- Dental insurance
- Vision insurance
- Life insurance
- Accidental death and dismemberment insurance
- Disability insurance
- Employee leave administration

**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 Transportation Communications International Union
- Coach operators represented by Teamsters Local 952 Union

# PRISM Overview

- In 2015 (plan year 2016), OCTA joined the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), a medical purchasing program offered to counties, cities and special districts. In 2020, the organization rebranded their name to Public Risk Innovation, Solutions, and Management (PRISM).
- OCTA is one of 42 large group members in the PRISM pool, which includes approximately 40,000 employees.
- OCTA has benefited from renewal rates far below market trends since joining PRISM:
  - Prior to joining PRISM, OCTA's quoted renewal rates for 2016 were at double-digit increases.
  - OCTA shares risk with PRISM members and rates are renewed as a single pool.
  - PRISM is dedicated to controlling losses and providing effective risk management solutions.

# Current Plan Offerings

## **Plans through PRISM:**

- Medical Insurance (Anthem HMO, PPO and CDHP, and Kaiser)
- Dental Insurance (Delta Dental HMO & 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

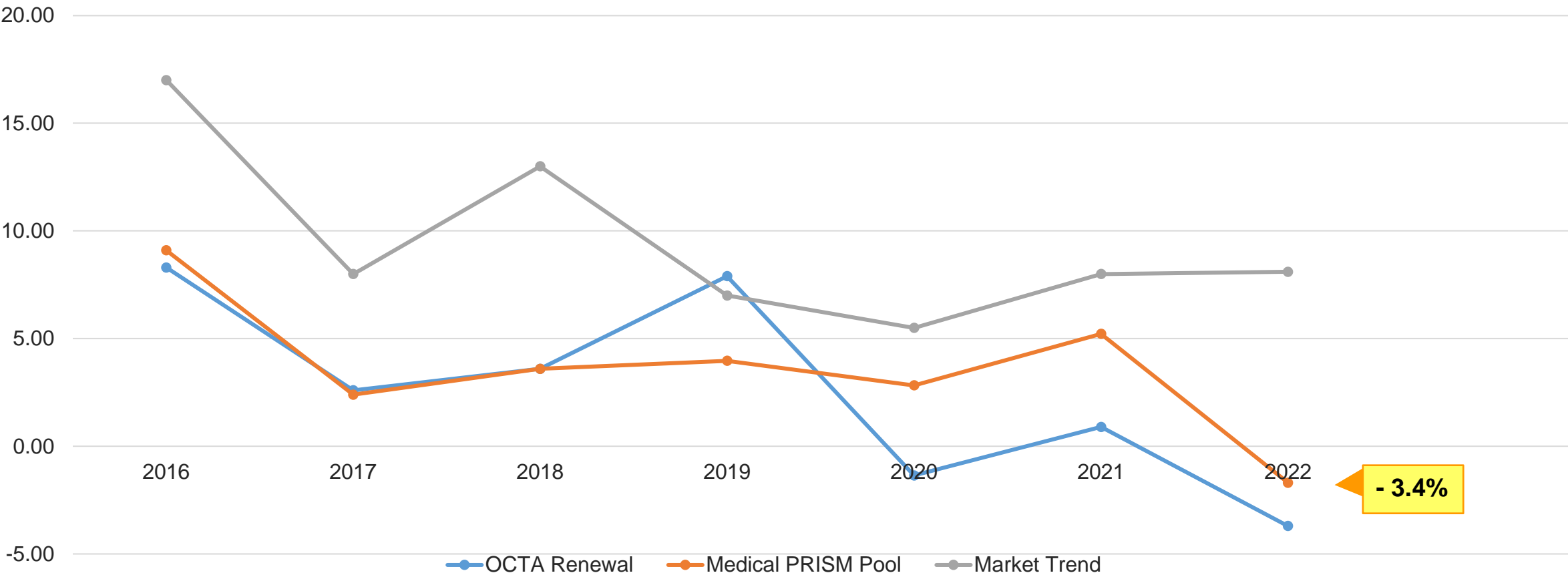
HMO – Health Maintenance Organization

PPO – Preferred Provider Organization

VSP – Vision Services Plan

# OCTA Medical Plan Renewal Trends

OCTA vs. Medical PRISM Pool vs. Market Trend by Year



# Financial Summary

ORANGE COUNTY TRANSPORTATION AUTHORITY				
FINANCIAL OVERVIEW, Effective January 1, 2022				
PLAN/COVERAGE		Current Annual Cost	Renewal Annual Cost	% Δ
<b>MEDICAL</b>	EE's			
PRISM-Kaiser Admin/TCU HMO	189	\$3,080,232	\$2,974,022	-3.4%
PRISM-Kaiser Coach HMO	597	\$9,644,436	\$9,311,318	-3.5%
PRISM-Anthem HMO Admin/TCU	120	\$2,195,376	\$2,126,647	-3.1%
PRISM-Anthem HMO Coach	32	\$560,256	\$542,713	-3.1%
PRISM-Anthem PPO Admin/TCU	58	\$1,113,576	\$1,076,716	-3.3%
PRISM-Anthem PPO Coach	36	\$621,408	\$600,849	-3.3%
PRISM-Anthem CDHP Admin/TCU	139	\$2,448,132	\$2,367,132	-3.3%
<b>DENTAL</b>				
PRISM-Delta Admin/TCU DMO	53	\$17,460	\$17,460	0.0%
Direct-Delta Coach Operators DMO	157	\$51,722	\$51,722	0.0%
PRISM-Delta Admin/TCU DPO	452	\$718,691	\$700,583	-2.5%
PRISM-Delta Coach Operators DPO	486	\$580,079	\$565,427	-2.5%
<b>VISION</b>				
PRISM-VSP Vision Admin (Actives)	491	\$149,012	\$149,012	0.0%
PRISM-VSP Vision Coach Operators	613	\$99,550	\$99,550	0.0%
<b>BASIC LIFE/AD&amp;D</b>				
PRISM-Voya Life/AD&D Admin	536	\$180,461	\$180,461	0.0%
PRISM-Voya Life/AD&D Coach	650	\$81,709	\$81,709	0.0%
<b>SHORT TERM DISABILITY</b>				
PRISM-Voya STD Admin	485	\$28,152	\$31,968	13.6%
<b>LONG TERM DISABILITY</b>				
PRISM-Voya LTD Admin	521	\$122,187	\$148,450	21.5%
<b>FMLA Leave Management</b>				
VOYA	1355	\$27,234	\$27,234	0.0%
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$21,719,674</b>	<b>\$21,052,973</b>	
<b>ANNUAL DOLLAR CHANGE</b>			<b>(\$666,701)</b>	
<b>ANNUAL PERCENT CHANGE</b>			<b>-3.1%</b>	

# 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, 2022.
- Execute agreement to continue dental HMO insurance with Delta Dental for coach operators through December 31, 2022.