



April 11, 2018

To: Finance and Administration Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: Agreements for Health Insurance Services for Coach Operators

Overview

The Orange County Transportation Authority provides health and life insurance benefits for coach operators through the Teamsters Local 952 Union/Labor Alliance. In order to address concerns regarding timeliness of coverage, premium payments, ability to waive coverage, and audit provisions, the Orange County Transportation Authority has assumed responsibility for the administration of these benefits. Staff is presenting recommendations for medical, dental, vision, and life insurance agreements for coach operator benefits for six months of 2018 beginning July 1, 2018 and through December 31, 2018.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-1618 between the Orange County Transportation Authority and Kaiser Permanente Health Plan, Inc., on a cost per employee basis, for prepaid medical services from July 1, 2018 through December 31, 2018. The 2018 Kaiser Permanente Health Plan, Inc., premium cost will vary in accordance with actual enrollment.
- B. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 to Agreement No. C-1-2995 between the Orange County Transportation Authority and Delta Dental, on a cost per employee basis, for health maintenance organization dental services from July 1, 2018 through December 31, 2018. The 2018 Delta Dental health maintenance organization premium costs will vary in accordance with actual enrollment.
- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 to Agreement No. C-1-2996 between the Orange County Transportation Authority and California State Association of

Counties – Excess Insurance Authority for Delta Dental, on a cost per employee basis, for preferred provider organization dental services from July 1, 2018 through December 31, 2018. The 2018 Delta Dental preferred provider organization premium costs will vary in accordance with actual enrollment.

- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 5 to Agreement No. C-1-2997 between the Orange County Transportation Authority and California State Association of Counties – Excess Insurance Authority for Vision Service Plan, on a cost per employee basis, for vision services from July 1, 2018 through December 31, 2018. The 2018 vision services premium costs will vary in accordance with actual enrollment.
- E. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Purchase Order No. C-7-1897 between the Orange County Transportation Authority and California State Association of Counties – Excess Insurance Authority for VOYA for life insurance from July 1, 2018 through December 31, 2018. The life insurance premium costs will vary in accordance with actual volume in the plan.

Background

The Orange County Transportation Authority (OCTA) has taken responsibility to provide health and welfare benefits to coach operators.

OCTA will offer a similar benefits program to coach operators as the benefits made available through Teamsters. The medical insurance benefit will remain with Kaiser Permanente Health Plan, Inc. (Kaiser). Staff has focused on maintaining an equitable cost-sharing structure, increasing chiropractic care, and offering dental insurance with a larger group of providers. Staff will promote wellness and preventive care through the benefits program.

Discussion

OCTA received proposals from California State Association of Counties – Excess Insurance Authority (CSAC-EIA) and Burnham Insurance for its medical and life insurance plans effective July 1, 2018 through December 31, 2018. These rates were received by OCTA in March 2018. Staff recommends the following medical, dental, vision, and life insurances:

Medical

Coach operators are currently offered medical insurance through Kaiser. OCTA will offer the same Kaiser medical insurance benefit with enhanced chiropractic coverage, increasing chiropractic visits from 20 to 30 per year. OCTA will contract directly with Kaiser. Staff recommends continuing to offer Kaiser as the medical plan option for six months beginning July 1, 2018 through December 31, 2018.

Dental

Two dental plan options are currently offered to coach operators, United Concordia preferred provider organization (PPO) and Liberty Dental health maintenance organization (HMO) plan. OCTA will offer two similar choices of dental plans to coach operators. The PPO is offered through CSAC-EIA for Delta Dental and the HMO is offered directly through Delta Dental.

Vision

Coach operators are currently offered vision insurance through Vision Service Plan (VSP). OCTA will offer the same VSP through CSAC-EIA.

Life Insurance

The life insurance benefits are currently provided through Prudential Life. OCTA will provide full-time and part-time coach operators with the same life insurance benefit, as well as the same spousal and child life insurance benefit. OCTA will offer life insurance through CSAC-EIA for VOYA.

Fiscal Impact

The cost for health care benefits is included in OCTA's Fiscal Year (FY) 2018-19 Budget, assuming a four percent increase in rates beginning July 1, 2018. Based on staff recommendations for six months ending December 31, 2018, OCTA's cost for health care benefits for the coach operator employees will be approximately two percent higher than last fiscal year and well within the budgeted amount for FY 2018-19.

Summary

Staff is recommending that the Chief Executive Officer be authorized to negotiate and execute an agreement with Kaiser for medical insurance, as well as

amendments to the existing contracts with CSAC-EIA for dental, vision, and life insurance, and Delta Dental for dental.

Attachments

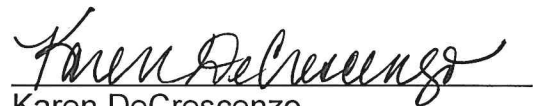
- A. Delta Dental Health Maintenance Organization, Agreement No. C-1-2995 Fact Sheet
- B. California State Association of Counties – Excess Insurance Authority Delta Dental Preferred Provider Organization, Agreement No. C-1-2996 Fact Sheet
- C. California State Association of Counties – Excess Insurance Authority Vision Service Plan, Agreement No. C-1-2997 Fact Sheet
- D. California State Association of Counties – Excess Insurance Authority VOYA, Agreement No. C-7-1897 Fact Sheet

Prepared by:

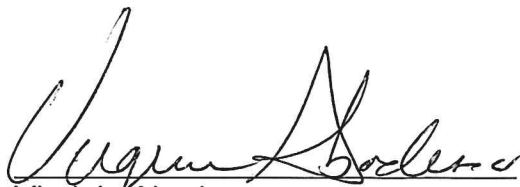


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