

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 (beginning July 1, 2018)

CSAC-EIA 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.
- OCTA is one of 40 large group members in the CSAC-EIA pool, which includes approximately 35,000 employees.
- OCTA has benefited from renewal rates far below market trends since joining CSAC-EIA:
 - Prior to joining CSAC-EIA, OCTA's quoted renewal rates for 2016 were at double-digit increases.
 - OCTA shares risk with CSAC-EIA members and rates are renewed as a single pool.
 - CSAC-EIA is dedicated to controlling losses and providing effective risk management solutions.

Current Plan Offerings

Plans through CSAC-EIA:

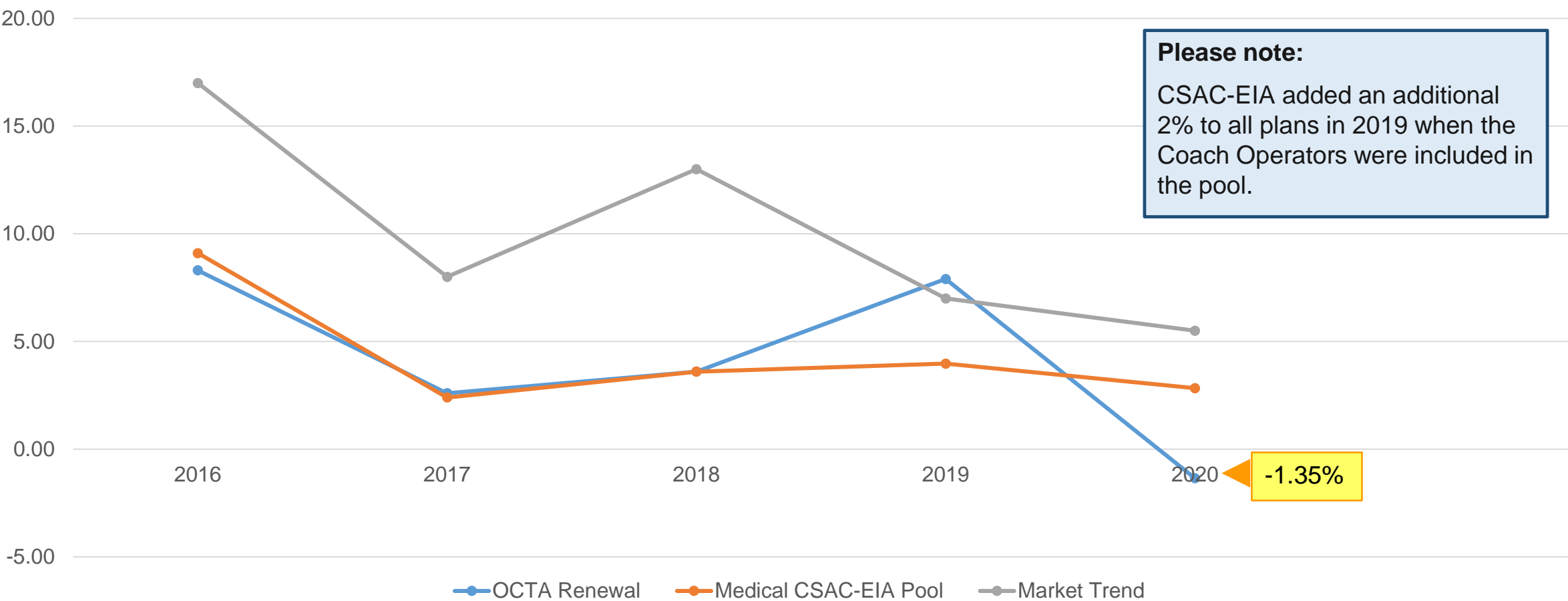
- Medical Insurance (Anthem HMO, PPO and CDHP, and Kaiser)
- Dental Insurance (Delta Dental HMO & PPO)
- Vision Insurance (VSP Choice)
- Life Insurance (Voya)
- Accidental Death and Dismemberment Insurances (Voya)
- Short-term and Long-term Disability Insurance (Voya)
- Employee Protected Leave Administration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

Plan outside of CSAC-EIA Pool:

- Dental Insurance (Delta Dental HMO for Coach Operators)

OCTA Medical Plan Renewal Trends

OCTA vs. Medical CSAC-EIA Pool vs. Market Trend by Year



Financial Summary

Annual Cost	EE's	CURRENT	RENEWAL	
		Annual \$	Annual \$	% Δ
<u>MEDICAL</u>				
CSAC-Kaiser Coach HMO	586	\$9,739,728	\$9,607,464	-1.36%
CSAC-Kaiser Admin/TCU HMO	180	\$2,972,568	\$2,932,320	-1.35%
CSAC-Anthem HMO	116	\$2,180,856	\$2,151,504	-1.35%
CSAC-Anthem HMO: Coach	12	\$185,652	\$183,156	-1.34%
CSAC-Anthem CDHP	131	\$2,445,624	\$2,416,221	-1.20%
CSAC-Anthem PPO	57	\$1,141,668	\$1,126,272	-1.35%
CSAC-Anthem PPO: Coach	25	\$475,896	\$469,488	-1.35%
<u>DENTAL</u>				
(CSAC-EIA) Admin DMO	41	\$13,568	\$13,568	0.0%
(CSAC-EIA) Delta Admin/TCU PPO	443	\$680,761	\$701,252	3.0%
Delta (direct) Coach DMO	152	\$53,249	\$53,249	0.0%
(CSAC-EIA) Delta Coach PPO	459	\$548,434	\$564,823	3.0%
<u>VISION</u>				
(CSAC-EIA) VSP Vision Admin	478	\$144,651	\$144,651	0.0%
(CSAC-EIA) VSP Vision Coach	597	\$99,821	\$99,821	0.0%
<u>BASIC LIFE/AD&D</u>				
(CSAC-EIA) Voya Life/AD&D Admin	534	\$164,707	\$164,707	0.0%
(CSAC-EIA) Voya Life/AD&D Coach	609	\$74,664	\$74,664	0.0%
<u>SHORT TERM DISABILITY</u>				
(CSAC-EIA) Voya STD Admin	485	\$26,580	\$26,580	0.0%
<u>LONG TERM DISABILITY</u>				
(CSAC-EIA) Voya LTD Admin	522	\$120,713	\$120,713	0.0%
<u>FML Administration</u>				
Voya	1350	\$24,138	\$24,138	0.0%
TOTAL ANNUAL PREMIUM		\$21,093,278	\$20,874,591	
ANNUAL DOLLAR CHANGE			(\$218,687)	-1.0%

Recommendations

- Remain in CSAC-EIA 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 CSAC-EIA through December 31, 2020.
- Execute agreement to continue dental HMO insurance with Delta Dental for coach operators through December 31, 2020.