



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

Board of Directors  
Human Resources and Labor Relations Committee  
Tuesday, November 5, 2019  
9:00 a.m.

- 1. Call to Order.....Emile Thompson  
Chairman
- 2. 2020 Medical Plan Rate Renewals.....Ron Lewis  
Manager, Benefits People and Talent
- 3. Action Items .....Ron Lewis  
Manager, Benefits People and Talent
  - A. Contract No. 16-PR-HCM-26 – Connecticut General Life Insurance Company  
(CIGNA) – Exercise Option Year Three
  - B. Contract No. 19-PR-DPT-31 - Kaiser Foundation Health Plan of the Mid-Atlantic  
States, Inc.
  - C. Contract No. 16-PR-HCM-28 - Delta Dental of the District of Columbia
- 4. Executive Session\* .....Emile Thompson  
Chairman
- 5. Adjournment ..... Emile Thompson  
Chairman

\* The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(1); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.



# 2020 Medical Plan Renewals

Presented to HR Labor Relations  
Committee November 5, 2019



# 2020 Medical Plan Cost Share Change

## (Monthly)

Vendor/Plan	Enrollment	2019			2020			% Change
		Monthly Employee Cost	Monthly Employer Cost	Current	Monthly Employee Cost	Monthly Employer Cost	Renewal	Dollar Difference
<b>Medical Plan - CIGNA Network Plan (HMO)</b>								
<b>DCWASA Employees</b>								
Individual	65	\$178.25	\$596.77	\$775.02	\$196.75	\$658.69	\$855.44	10.4%
Employee + 1	56	\$375.19	\$1,256.08	\$1,631.27	\$414.13	\$1,386.42	\$1,800.55	10.4%
Family	101	\$536.33	\$1,795.53	\$2,331.86	\$591.98	\$1,981.86	\$2,573.84	10.4%
<b>Annual Total</b>	<b>222</b>	<b>\$1,041,195</b>	<b>\$3,485,749</b>	<b>\$4,526,943</b>	<b>\$1,149,240</b>	<b>\$3,847,467</b>	<b>\$4,996,707</b>	<b>\$469,764</b>
<b>Medical Plan - CIGNA Open Access Plus (PPO)</b>								
<b>DCWASA Employees</b>								
Individual	128	\$191.42	\$640.83	\$832.25	\$211.28	\$707.33	\$918.61	10.4%
Employee + 1	81	\$403.82	\$1,351.92	\$1,755.74	\$445.72	\$1,492.21	\$1,937.93	10.4%
Family	156	\$577.60	\$1,933.70	\$2,511.30	\$637.54	\$2,134.36	\$2,771.90	10.4%
<b>Annual Total</b>	<b>365</b>	<b>\$1,767,801</b>	<b>\$5,918,268</b>	<b>\$7,686,069</b>	<b>\$1,951,241</b>	<b>\$6,532,409</b>	<b>\$8,483,650</b>	<b>\$797,581</b>
<b>Medical Plan - Kaiser Permanente HMO Select</b>								
<b>DCWASA Employees</b>								
Individual	106	\$137.66	\$460.85	\$598.51	\$149.35	\$500.01	\$649.36	8.5%
Employee + 1	81	\$275.31	\$921.71	\$1,197.02	\$298.71	\$1,000.01	\$1,298.72	8.5%
Family	144	\$399.19	\$1,336.44	\$1,735.63	\$433.11	\$1,449.98	\$1,883.09	8.5%
<b>Annual Total</b>	<b>331</b>	<b>\$1,132,505</b>	<b>\$3,791,472</b>	<b>\$4,923,977</b>	<b>\$1,228,733</b>	<b>\$4,113,588</b>	<b>\$5,342,321</b>	<b>\$418,344</b>

Enrollment as of September 23, 2019



# 2020 Medical Plan Cost Share Change (Annual)

2019 Carrier/Plan	Enrollment	2019 Employee Cost	2019 DC WATER Cost	2019 Total Cost	2020 Employee Cost	2020 DC WATER Cost	2020 Total Cost	2020 \$ Change over Current	2020 % Change over Current
CIGNA HMO	222	\$1,041,195	\$3,485,749	<b>\$4,526,943</b>	\$1,149,240	\$3,847,467	<b>\$4,996,707</b>	\$469,764	10.4%
CIGNA OAP	365	\$1,767,801	\$5,918,268	<b>\$7,686,069</b>	\$1,951,241	\$6,532,409	<b>\$8,483,650</b>	\$797,581	10.4%
Kaiser HMO	331	\$1,132,505	\$3,791,472	<b>\$4,923,977</b>	\$1,228,733	\$4,113,588	<b>\$5,342,321</b>	\$418,344	8.5%
					\$4,329,214	\$14,493,464	\$18,822,678	\$1,685,689	



# 2020 Medical Plan Cost Share Change

## Bi-weekly Employee Impact

Vendor/Plan	2019		2020		Dollar Difference
	Enrollment	Bi-Weekly Employee Cost	Bi-Weekly Employee Cost		
<b>Medical Plan - CIGNA Network</b>					
<b>DCWASA Employees</b>					
Individual	65	\$82.27	\$90.81	\$8.54	
Employee + 1	56	\$173.16	\$191.13	\$17.97	
Family	101	\$247.54	\$273.22	\$25.68	
<b>Annual Total</b>	<b>222</b>	<b>\$1,041,197</b>	<b>\$1,149,230</b>	<b>\$108,033</b>	
<b>Medical Plan - CIGNA Open Access Plus</b>					
<b>DCWASA Employees</b>					
Individual	128	\$88.35	\$97.51	\$9.16	
Employee + 1	81	\$186.38	\$205.72	\$19.34	
Family	156	\$266.58	\$294.25	\$27.67	
<b>Annual Total</b>	<b>365</b>	<b>\$1,767,794</b>	<b>\$1,951,238</b>	<b>\$183,444</b>	
<b>Medical Plan - Kaiser Permanente HMO</b>					
<b>DCWASA Employees</b>					
Individual	106	\$63.54	\$68.93	\$5.39	
Employee + 1	81	\$127.07	\$137.86	\$10.79	
Family	144	\$184.24	\$199.90	\$15.66	
<b>Annual Total</b>	<b>331</b>	<b>\$1,132,520</b>	<b>\$1,228,730</b>	<b>\$96,209.62</b>	
<b>Grand Total</b>	<b>918</b>	<b>\$ 3,941,511.08</b>	<b>\$ 4,329,197.34</b>	<b>\$387,686.26</b>	



## Cigna Renewal Recap

- 2019 Recap – Premiums were held increased by 8.0% – Included Cigna UW investment of \$715,000, or approximately 4.0%
- Initial 2020 renewal proposes 10.4% blended increase
- Includes UW adjustments to normalize large claimant activity – Includes projected savings for Rx formulary improvements
- Aon projections calculate 10.0% blended increase
- Medical claims experience is trending at 24.0% based on twelve month rolling trend Pharmacy claims experience is trending at 38.4% based on twelve month rolling trend
- 16 large claimants over \$100K in most recent experience period (8 in prior 12-month period)



# Kaiser Recap

- 2019 Recap – No rate change
- Five year contract expired 12/31/2019
- New Contract Awarded 01/01/2020
- 2020 Kaiser proposes 8.5% increase – Initial proposed increase was 14.3%, capped at 9.5%
- Aon projections calculate 12.1% increase
- Medical claims experience is trending at 17.3% based on twelve month rolling trend Pharmacy claims experience is trending at 27.0% based on twelve month rolling trend
- 2 large claimants exceeding \$190,000 in most recent experience period
- (1 in prior 12-month period)

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES EXERCISE OPTION YEAR**

**Medical Insurance Plans**

**(Joint Use-Indirect)**

Approval to exercise option year three for Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) medical plans in the amount of \$13,480,000.00.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
Connecticut General Life Insurance Company (Cigna) 111 Calvert Street Baltimore, MD 21202	Social Driver(LSBE) 1030 15 <sup>TH</sup> Street NW, Suite 1050W Washington, DC 20005	0.2%

**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$10,906,116.00
Original Contract Dates:	01-01-2017 - 12-31-2017
No. of Option Years in Contract:	4
Option Year 1 Value:	\$10,824,582.00
Option Year 1 Dates:	01-01-2018 - 12-31-2018
Option Year 1 Modification:	\$1,051,289.65
Option Year 1 Modification Dates:	11-01-2018 – 12-31-2019
Option Year 2 Value:	\$13,350,000.00
Option Year 2 Dates:	01-01-2019 - 12-31-2019
<b>This Option Year 3 Value:</b>	<b>\$13,480,000.00</b>
<b>This Option Year 3 Dates:</b>	<b>01-01-2020—12-31-2020</b>

**Purpose of the Contract:**

Contract to provide PPO and HMO benefits to employees hired after October 1, 1987 or later.

**Contract Scope:**

DC Water provides its employees with a choice of medical plan benefits. This contract will offer comprehensive medical coverage to employees and their families.

**Spending Previous Year:**

Cumulative Contract Value:	01-01-2017 - 12-31-2019: \$36,131,987.65
Cumulative Contract Spending:	01-01-2017 - 10-28-2019: \$32,003,122.43

**Contractor's Past Performance:**

According to the COTR, the Contractor's quality of services; timeliness of responses; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet expectations.

No LBE/LSBE participation



**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Fixed Unit Price	<b>Award Based On:</b>	Highest Ranked Offeror
<b>Commodity:</b>	Services	<b>Contract Number:</b>	16-PR-HCM-26
<b>Contractor Market:</b>	Open Market with Preference for LBE and LSBE Participation		

**BUDGET INFORMATION**

<b>Funding:</b>	Operating	<b>Department:</b>	People and Talent
<b>Service Area:</b>	DC Water Wide	<b>Department Head:</b>	Keith J. Lindsey (Acting)

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	84.61%	\$11,405,428.00
Washington Suburban Sanitary Commission	11.11%	\$1,497,628.00
Fairfax County	2.74%	\$369,352.00
Loudoun Water	1.33%	\$179,284.00
Other (PI)	.21%	\$28,308.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100 %</b>	<b>\$13,480,000.00</b>

 10/30/19  
 Keith J. Lindsey Date  
 Acting EVP of People and Talent

 10/30/19  
 Dan Bae Date  
 VP of Procurement and Compliance

 10/30/19  
 Matthew T. Brown Date  
 CFO and EVP of Finance and Procurement

\_\_\_\_\_/\_\_\_\_\_  
 David L. Gadis Date  
 CEO AND General Manager

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT AWARD**

**Staff Model Health Maintenance Organization (HMO) Services  
(Joint Use-Indirect)**

Approval to execute a new contract award for staff model health maintenance organization (HMO) medical plan services in the amount of \$5,342,000.00 for the base year.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. 2101 East Jefferson Street Rockville, MD 20852	ADC Management Solutions (LSBE) 1315 Irving Street, NW Washington, DC 20010	0.20%
	Healing Hands Physical Therapy Services, Inc. (LSBE) 3200 12 <sup>th</sup> Street, NE Washington, DC 20017	0.05%

**DESCRIPTION AND PURPOSE**

Base Year Contract Value:	\$5,342,000.00
Option Years in Contract:	4
Base Years Date:	01-01-2020 - 12-31-2020
Proposal Closing Date:	07-30-2019
Proposals Received:	1

**Purpose of the Contract:**

The purpose of this contract award is to provide DC Water's employees a Health Maintenance Organization (HMO) plan for employees hired after October 1, 1987 or later.

**Contract Scope:**

The contract offers comprehensive HMO medical plan coverage to DC Water employees and their families.

**Supplier Selection:**

Only Kaiser submitted a proposal in response to an open-market solicitation for this contract. The proposal evaluation panel and DC Water consultant determined that the methodology, approach and pricing offered by Kaiser was of good value to DC Water. Also, employees using Kaiser are satisfied with the services.

This base year funding request is consistent with prior contract expenditures and market trends.

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Fixed Unit Price	<b>Award Based On:</b>	Highest Ranked Offeror
<b>Commodity:</b>	Services	<b>Contract Number:</b>	19-PR-DPT-31
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		

**BUDGET INFORMATION**

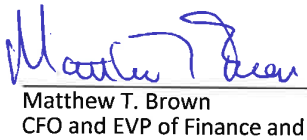
<b>Funding:</b>	Operating	<b>Department:</b>	People and Talent
<b>Project Area:</b>	DC Water Wide	<b>Department Head:</b>	Keith J. Lindsey (Acting)

**ESTIMATED USER SHARE INFORMATION**

User – Operating	Share %	Dollar Amount
District of Columbia	84.61%	\$4,519,866.00
Washington Suburban Sanitary Commission	11.11%	\$593,496.00
Fairfax County	2.74%	\$146,371.00
Loudoun Water	1.33%	\$71,049.00
Other (PI)	0.21%	\$11,218.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$5,342,000.00</b>

  
 Keith J. Lindsey / Date 10/3-1/19  
 Acting EVP of People and Talent

  
 Dan Bae / Date 10/30/19  
 VP of Procurement and Compliance

  
 Matthew T. Brown / Date 10/30/19  
 CFO and EVP of Finance and Procurement

\_\_\_\_\_/ Date  
 David L. Gadis  
 CEO and General Manager

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES EXERCISE OPTION YEAR**

**Dental Insurance Plans**

**(Joint Use-Indirect)**

Approval to exercise option year one in the amount of \$578,000.00 for a Dental Preferred Provider Organization (DPPO) plan.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> Delta Dental of the District of Columbia One Delta Drive Mechanicsburg, PA 17055	<b>SUBS:</b> N/A	<b>PARTICIPATION:</b> N/A
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**DESCRIPTION AND PURPOSE**

Original Contract Value: \$1,659,225.40  
 Original Contract Dates: 01-01-2017 - 12-31-2019  
 No. of Option Years in Contract: 2  
**This Option Year 1 Value: \$578,000.00**  
**This Option Year 1 Dates: 01-01-2020—12-31-2020**

**Purpose of the Contract:**

Contract to provide a Dental Preferred Provider Organization (DPPO) benefits to employees hired after October 1, 1987 or later. Dental Health Maintenance Organization (DHMO) services are provided under a separate contract.

**Contract Scope:**

DC Water has a continuing need to provide its employees with dental insurance benefits. This contract will offer comprehensive dental coverage to employees and their families.

**Spending Previous Year:**

Cumulative Contract Value: 01-01-2017 - 12-31-2019: \$1,659,225.40  
 Cumulative Contract Spending: 01-01-2017 - 10-28-2019: \$1,556,521.61

**Contractor's Past Performance:**

According to the COTR, the Contractor's quality of services; timeliness of responses; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet expectations.

No LBE/LSBE participation

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Fixed Unit Price	<b>Award Based On:</b>	Highest Ranked Offeror
<b>Commodity:</b>	Services	<b>Contract Number:</b>	16-PR-HCM-28
<b>Contractor Market:</b>	Open Market with Preference for LBE and LSBE Participation		

**BUDGET INFORMATION**


<b>Funding:</b>	Operating	<b>Department:</b>	People and Talent
<b>Service Area:</b>	DC Water Wide	<b>Department Head:</b>	Keith J. Lindsey (Acting)

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	84.61%	\$489,045.80
Washington Suburban Sanitary Commission	11.11%	\$64,215.80
Fairfax County	2.74%	\$15,837.20
Loudoun Water	1.33%	\$7,687.40
Other (PI)	.21%	\$1,213.80
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100 %</b>	<b>\$578,000.00</b>

  
 Keith J. Lindsey  
 Acting EVP of People and Talent  
 Date 10/30/19

  
 Dan Bae  
 VP of Procurement and Compliance  
 Date 10/30/19

  
 Matthew T. Brown  
 CFO and EVP of Finance and Procurement  
 Date 10/30/19

\_\_\_\_\_  
 David L. Gadis  
 CEO and General Manager  
 Date