



**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 ItemsRon 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 (Monthly)

Vendor/Plan	Enrollment	2019			2020			% Change
		Monthly Employee Cost	Monthly Employer Cost	Current	Monthly Employee Cost	Monthly Employer Cost	Renewal	Dollar Difference
Medical Plan - CIGNA Network Plan (HMO)								
DCWASA Employees								
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%
Annual Total	222	\$1,041,195	\$3,485,749	\$4,526,943	\$1,149,240	\$3,847,467	\$4,996,707	\$469,764
Medical Plan - CIGNA Open Access Plus (PPO)								
DCWASA Employees								
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%
Annual Total	365	\$1,767,801	\$5,918,268	\$7,686,069	\$1,951,241	\$6,532,409	\$8,483,650	\$797,581
Medical Plan - Kaiser Permanente HMO Select								
DCWASA Employees								
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%
Annual Total	331	\$1,132,505	\$3,791,472	\$4,923,977	\$1,228,733	\$4,113,588	\$5,342,321	\$418,344

Enrollment as of September 23, 2019



2020 Medical Plan Cost (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	\$4,526,943	\$1,149,240	\$3,847,467	\$4,996,707	\$469,764	10.4%
CIGNA OAP	365	\$1,767,801	\$5,918,268	\$7,686,069	\$1,951,241	\$6,532,409	\$8,483,650	\$797,581	10.4%
Kaiser HMO	331	\$1,132,505	\$3,791,472	\$4,923,977	\$1,228,733	\$4,113,588	\$5,342,321	\$418,344	8.5%
					\$4,329,214	\$14,493,464	\$18,822,678	\$1,685,689	



2020 Medical Plan Cost

Bi-weekly Employee Impact

Vendor/Plan	2019		2020		Dollar Difference
	Enrollment	Bi-Weekly Employee Cost	Bi-Weekly Employee Cost		
Medical Plan - CIGNA Network					
DCWASA Employees					
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	
Annual Total	222	\$1,041,197	\$1,149,230	\$108,033	
Medical Plan - CIGNA Open Access Plus					
DCWASA Employees					
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	
Annual Total	365	\$1,767,794	\$1,951,238	\$183,444	
Medical Plan - Kaiser Permanente HMO					
DCWASA Employees					
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	
Annual Total	331	\$1,132,520	\$1,228,730	\$96,209.62	
Grand Total	918	\$ 3,941,511.08	\$ 4,329,197.34	\$387,686.26	



Cigna Renewal Recap

- 2019 Recap – Premiums were 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 expires 12/31/2019
- New Contract Award date 01/01/2020
- 2020 Kaiser proposed an 8.5% increase (The 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

PRIME:	SUBS:	PARTICIPATION:
Connecticut General Life Insurance Company (Cigna) 111 Calvert Street Baltimore, MD 21202	Social Driver(LSBE) 1030 15 TH 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
This Option Year 3 Value:	\$13,480,000.00
This Option Year 3 Dates:	01-01-2020—12-31-2020

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

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

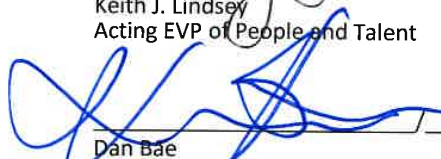
BUDGET INFORMATION


Funding:	Operating	Department:	People and Talent
Service Area:	DC Water Wide	Department Head:	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
TOTAL ESTIMATED DOLLAR AMOUNT	100 %	\$13,480,000.00

 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

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

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

BUDGET INFORMATION

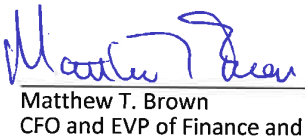
Funding:	Operating	Department:	People and Talent
Project Area:	DC Water Wide	Department Head:	Keith J. Lindsey (Acting)

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
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$5,342,000.00


 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

PRIME: Delta Dental of the District of Columbia One Delta Drive Mechanicsburg, PA 17055	SUBS: N/A	PARTICIPATION: N/A
---	---------------------	------------------------------

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

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

BUDGET INFORMATION


Funding:	Operating	Department:	People and Talent
Service Area:	DC Water Wide	Department Head:	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
TOTAL ESTIMATED DOLLAR AMOUNT	100 %	\$578,000.00


 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