



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Human Resources and Labor Relations Committee

**Wednesday, November 10, 2021
11:00 am**

Microsoft Teams meeting
Join on your computer or mobile app
[Click here to join the meeting](#)
Or call in (audio only)
[+1 202-753-6714,,70835261#](#)
Phone Conference ID: 708 352 61#

AGENDA

- 1. Call to Order Adriana Hochberg, Chairperson**
- 2. Roll Call Linda Manley, Board Secretary**
- 3. Benefits Update..... Ron Lewis, Manager, Benefits**
 - a. [Medical Benefit Plan Renewals](#)**
- 4. Action Items:**
 - a. [Contract No.16-PR-HCM-28 – Connecticut General life Insurance \(Cigna\)](#)**
 - b. [Contract No. 19-PR-DPT-31 - Kaiser Foundation Health Plan](#)**
- 5. Executive Session * Adriana Hochberg, Chairperson**
- 6. Adjournment Adriana Hochberg, Chairperson**

* 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)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); 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); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); 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.



Medical Benefit Plan Renewals

November 10, 2021



2022 Medical Plan Renewals

Both Cigna and Kaiser continue to provide medical insurance that enables employees and dependents to be protected with preventative coverage, pharmaceutical coverage and mental health inpatient and outpatient coverage.

Cigna

- Cigna initially proposed a 14.8% renewal rate increase
- Aon (DC Water's Independent consultant) determined that an 8-9% increase was reasonable
- People and Talent negotiated, taking a hard stance on the renewal premium with support from Matt Brown, CFO
- Cigna's best and final offer was further reduced to an
- increase of 6.1 %



Cigna Medical Loss Ratio

The Affordable Care Act requires insurers to rebate part of the premiums received if the insurer does not spend at least 85 percent of the premiums on health care services, such as doctors and hospital bills, and activities to improve health care quality. No more than 15 percent of premiums may be spent on administrative costs such as salaries, sales and advertising. This is referred to as the “Medical Loss Ratio or the 75/15 rule. CIGNA missed the 85 percent target deeming DC Water eligible for a rebate.



Cigna

- Membership held steady over the prior experience period (558 subscribers)
- High-cost claimants HCC members account for 32% of the total claims this year compared to 21% for the prior experience period
- Overall claims based PMPM increased 18.6% over the prior experience period
- Renewal includes \$80K for wellness
- Renewal Rate action 6.1% increase



Kaiser

- Membership grew slightly over the prior experience period and the group was rated with 352 subscribers
- High-cost claimants (HCC) members account for 24% of the total claims this year compared to 14% for the prior experience period
- Overall claims based PMPM increased 7% over the prior experience period
- Renewal rate action 6.9% increase
- Renewal includes \$30k for wellness



2022 Medical Plan Renewals

Carrier	Plan	2022 Initial Renewal	2022 Revised Renewal	Aon Projections	Final Renewal
Cigna	OAP In Network	14.8%	9.3%	8.9%	6.1%
Cigna	OAP	14.8%	9.3%	8.9%	6.1%
Kaiser	HMO	6.9%	6.9%	N/A	6.9%

Cigna

- The strong stance taken by DC Water resulted in an increase that is approximately \$1,145,000 less than it would have been if DC Water accepted the proposed increase of 14.8%
- Cigna premiums will increase approximately \$800,000. Most of this increase is paid by DC Water. Employees' portion is 23% or \$184,000

Kaiser

- Kaiser's premiums will increase approximately \$400,338
- Most of this increase paid by DC Water. Employees' portion is 23% or \$92,078

*No Plan design changes to either carrier



2022 Medical Plan Cost Share Change

Vendor/Plan	Enrollment	2021			2022			% Change	Employee Difference
		Bi-Weekly Employee Cost	Bi-Weekly Employer Cost	Current	Bi-Weekly Employee Cost	Bi-Weekly Employer Cost	Renewal		
Medical Plan - CIGNA Network Plan (HMO)									
DC Water Employees									
Individual	76	\$93.99	\$314.66	\$408.65	\$99.71	\$333.83	\$433.54	6.1%	\$5.72
Employee + 1	52	\$197.83	\$662.31	\$860.14	\$209.88	\$702.64	\$912.52	6.1%	\$12.05
Family	109	\$282.80	\$946.75	\$1,229.55	\$300.02	\$1,004.41	\$1,304.43	6.1%	\$17.22
Medical Plan - CIGNA Open Access Plus (PPO)									
DC Water Employees									
Individual	118	\$100.93	\$337.90	\$438.83	\$107.08	\$358.47	\$465.55	6.1%	\$6.15
Employee + 1	72	\$212.93	\$712.84	\$925.77	\$225.89	\$756.26	\$982.15	6.1%	\$12.96
Family	134	\$304.56	\$1,019.60	\$1,324.16	\$323.10	\$1,081.70	\$1,404.80	6.1%	\$18.54
Medical Plan - Kaiser Permanente HMO Select									
DC Water Employees									
Individual	121	\$71.08	\$237.95	\$309.03	\$76.00	\$254.45	\$330.45	6.9%	\$4.92
Employee + 1	80	\$142.15	\$475.91	\$618.06	\$152.01	\$508.89	\$660.90	6.9%	\$9.86
Family	151	\$206.12	\$690.04	\$896.16	\$220.40	\$737.87	\$958.27	6.9%	\$14.28
2021 Dental Plan United Concordia DMO (NP-3 Plan) / 2022 CIGNA DHMO									
DC Water Employees									
Individual	137	\$0.00	\$6.02	\$6.02	\$0.00	\$5.16	\$5.16	-14.3%	-\$0.86
Employee + 1	107	\$0.00	\$12.16	\$12.16	\$0.00	\$10.42	\$10.42	-14.3%	-\$1.74
Family	175	\$0.00	\$24.23	\$24.23	\$0.00	\$20.76	\$20.76	-14.3%	-\$3.47
2021 Dental Plan - Delta Dental of PA DPOS / 2022 CIGNA DPPO									
DC Water Employees									
Individual	177	\$7.67	\$7.67	\$15.34	\$7.10	\$7.09	\$14.19	-7.5%	-\$0.57
Employee + 1	159	\$14.90	\$14.90	\$29.80	\$13.79	\$13.78	\$27.57	-7.5%	-\$1.11
Family	289	\$25.84	\$25.84	\$51.68	\$23.90	\$23.90	\$47.80	-7.5%	-\$1.94
Vision Plan - National Vision Administrators (NVA)									
DC Water Employees									
Composite	1043	\$0.00	\$3.90	\$3.90	\$0.00	\$4.02	\$4.02	3.1%	0.12
Annual Total	1043	\$0	\$105,760	\$105,760	\$0	\$109,014	\$109,014	\$3,254	

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT EXTENSION

Medical Insurance Plans

(Joint Use-Indirect)

Approval to extend the Preferred Provider Organization (PPO) and Health Maintenance Organization (HMO) medical plans for one year in the amount of \$10,672,206.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Connecticut General Life Insurance Company (Cigna) 111 Calvert Street Baltimore, MD 21202	SUBS: Social Driver (LSBE) 1030 15 TH Street NW, Suite 1050W Washington, DC 20005	PARTICIPATION: LSBE/CBE - 0.2%
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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
Option Year 3 Value:	\$13,480,000.00
Option Year 3 Dates:	01-01-2020—12-31-2020
Option Year 4 Value:	\$14,137,000.00
Option Year 4 Dates:	01-01-2021—12-31-2021
Contract Extension Value:	\$10,672,206.00
Contract Extension Dates:	01-01-2022—12-31-2022

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 - 12-31-2021: \$63,748,987.65
Cumulative Contract Spending:	01-01-2017 - 11-21-2021: \$57,172,798.62

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.

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:	Lisa Stone

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	70.05%	\$7,475,880.00
Washington Suburban Sanitary Commission	21.95%	\$2,342,549.00
Fairfax County	5.15%	\$549,619.00
Loudoun Water	2.54%	\$271,074.00
Other (PI)	.31%	\$33,084.00
TOTAL ESTIMATED DOLLAR AMOUNT	100 %	\$10,672,206.00

_____/_____
 Lisa Stone Date
 Chief People & Inclusion Officer | People and Talent

_____/_____
 Dan Bae Date
 VP of Procurement and Compliance

_____/_____
 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 exercise option year two for Staff Model Health Maintenance Organization (HMO) medical plan services in the amount of \$6,176,425.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. 2101 East Jefferson Street Rockville, MD 20852	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$5,342,000.00
Original Contract Dates:	01-01-2020 – 12-31-2020
Option Years in Contract:	4
Option Year 1 Value:	\$5,664,000.00
Option Year 1 Dates:	01-01-2021 – 12-31-2021
Option Year 2 Value:	\$6,176,425.00
Option Year 2 Dates:	01-01-2022 – 12-31-2022

Purpose of the Contract:

Contract to provide Staff Model Health Maintenance Organization (HMO) medical plan services for employees hired October 1, 1987 or later.

Contract Scope:

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

Spending Previous Year:

Cumulative Contract Value:	01-01-2020 – 12-31-2021: \$11,006,000.00
Cumulative Contract Spending:	01-01-2020 – 10-21-2021: \$9,831,778.71

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 LSBE Participation

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:	Lisa Stone

ESTIMATED USER SHARE INFORMATION

User – Operating	Share %	Dollar Amount
District of Columbia	70.05%	\$4,326,586.00
Washington Suburban Sanitary Commission	21.95%	\$1,355,725.00
Fairfax County	5.15%	\$318,086.00
Loudoun Water	2.54%	\$156,881.00
Other (PI)	.31%	\$19,147.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$6,176,425.00

_____/_____
 Lisa Stone Date
 Chief People & Inclusion Officer | People and Talent

_____/_____
 Dan Bae Date
 VP of Procurement and Compliance

_____/_____
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

_____/_____
 David L. Gadis Date
 CEO and General Manager