

11169. RESOLUTION 16-35 – RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY AUTHORIZING MODIFICATIONS TO THE BENEFITS PLAN DESIGN

WHEREAS, the Delaware River and Bay Authority (the “Authority”) is committed to providing its employees and retirees a comprehensive core benefit program; and

WHEREAS, the Authority is responsible for prudent financial governance with respect to those core benefit programs; and

WHEREAS, the Authority is responsible for taking appropriate action to control escalating core benefit costs; and

WHEREAS, the Personnel Committee and the Budget & Finance Committee have each reviewed the proposed recommendations to the Authority’s changes to its health (medical and prescription) benefit programs and recommends approval thereof to the Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Delaware River and Bay Authority hereby approves the following modifications to be implemented January 1, 2017 (as described in detail on Exhibit A, which is incorporated herein by reference):

1. Implement a deductible of \$200/individual and \$400/family to the Exclusive Provider Organization (EPO) plan. The Preferred Provider Organization (PPO) Plan will remain the same without a deductible.
2. Increase the Imaging and Lab copays when provided in a hospital outpatient setting from \$20 to \$80 per visit in both the EPO and the PPO plans.
3. Increase the Hi-Tech Imaging copays when provided in a hospital outpatient setting from \$75 to \$225 per visit in both the EPO and PPO plans.
4. Implement a Telemedicine vendor who will provide medical information via the telephone and other media resources to assist with reducing the unnecessary use of the emergency room and urgent care providers.

A motion to approve Resolution 16-35 was made by Commissioner Wilson, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

EXHIBIT A

Proposed Benefit Plan Changes for 2017 Exclusive Provider Organization (EPO) & Preferred Provider Organization (PPO) Plans

Medical	Anticipated Savings/(Cost)
EPO Plan only – Deductible \$200/individual \$400/family	\$36,200
EPO and PPO Plans – Copayments Imaging and Lab services performed at Hospital as outpatient changed to \$80	\$40,135
EPO and PPO Plans – Copayments Hi-Tech Imaging performed at Hospital as outpatient changed to \$225	\$80,270
Telemedicine vendor	(\$20,000 - \$40,000)

Resolution 16-35 Executive Summary Sheet

Resolution:	Authorizing Modifications to the Authority's Benefits Plan Design
Committee:	Personnel Committee and Budget & Finance Committee
Committee Date:	October 18, 2016
Board Date:	October 18, 2016
Purpose of Resolution:	To approve the proposed recommendations to benefits plan designs for active and pre-65 retirees (as described in detail on Exhibit A, which is incorporated herein by reference) as presented by the Chief Human Resources Officer and the Pension and Benefits Manager.
Background for Resolution:	<p>The Delaware River and Bay Authority (Authority) is committed to the health and well being of our employees and retirees.</p> <p>During annual renewals, the Authority reviews administration and costs of benefits for determination of any recommended modifications including but not limited to benefit plan design changes, vendor/carrier changes, in comparison to industry trends and employee/retiree population utilization.</p> <p>A difference in plan designs between the Exclusive Provider Organization (EPO) and the Preferred Provider Organization (PPO) plans is recommended to continue to differentiate the level of coverage between the two (2) plans. Two (2) different levels of health plans will address the needs of the entire employee population as many employees do not require the full coverage of the PPO plan which would allow them to have greater take-home pay for their families. This will allow the Authority to provide a health care option that has less expensive payroll deductions with more out-of-pocket expenses at point-of-service. The PPO plan will continue to provide little out-of-pocket expenses at point-of-service but cost the employee more through payroll deductions.</p> <p>Implementation of a Telemedicine provider is recommended to provide a less expensive alternative to emergency room and urgent care providers. There will be no additional cost to the employees or their dependents to use this service. The cost of this service will be paid for by the Authority. To use the service, the employees will call a toll-free number and speak with a qualified medical professional regarding their symptoms and methods of treatment. Some providers also have the ability to use other sources of media communications (i.e., Skype, FaceTime, etc.).</p> <p>These recommendations align with the Authority's benefits philosophy and benefits strategic plan.</p>