

10734.RESOLUTION 13-43 - 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 has each reviewed the proposed recommendations to the Authority’s changes to its health and disability 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, 2014 (as described in detail on Exhibit A, which is incorporated herein by reference):

1. Implement OB/Gyn well visits at 100% (no copays).
2. Implement preventive medications at 100% (no copays).
3. Implement lab copay per visit for all non-preventive care procedures.
4. Increase copays for primary care physician and specialist office visits (copays will not apply to preventive care office visits).
5. Add election for coverage for spouse and/or dependent life insurance to be fully paid by the employee.
6. Add spousal coordination of benefits (effective January 1, 2015)

Exhibit A

Proposed Benefit Changes for 2014

Medical	Savings/(Cost)
Increase: Primary Care Office Visit: \$10 to \$15 Specialist: \$15 to \$20	\$115,000
Add: OB/GYN visits at 100% (Health Care Reform)	(\$1,000)
Add: Lab copay of \$10	\$49,000
Total	\$163,000
Prescription	
Add: 100% of Health Care Reform preventive medications	(\$6,000)
Total	(\$6,000)
Basic Life & AD&D	
Add: Election for coverage for Spouse and/or Dependents	No cost to DRBA
Total	\$0
GRAND TOTAL (Potential Savings)	\$157,000

Spousal Coordination of Benefits (January 1, 2015)	
Add: Employee with employed spouse must obtain health care coverage through their own employer	\$350,000
GRAND TOTAL (Potential Savings)	\$350,000

A motion to approve Resolution 13-43 was made by Commissioner Traynor, seconded by Commissioner Lowe, and approved by a roll call vote of 10-0.

Resolution 13-43 Executive Summary Sheet

Resolution: Authorizing Modifications to the Authority's Benefits Plan Design

Committee: Personnel Committee

Committee Date: October 15, 2013

Board Date: October 15, 2013

Purpose of Resolution: To approve 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: The Delaware River and Bay Authority is committed to the health and well being of our employees and retirees.

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.

For 2014, recommendations are being presented for medical (including prescription drugs) plan design changes to coincide with preventative care under the Affordable Care Act (ACA) and also to begin addressing benefit plan designs (i.e., copays, deductibles, etc.) that may have a negative impact on the Cadillac Tax under the ACA which is scheduled to take effect in 2018.

For supplemental life insurance and accidental death and dismemberment coverage, DRBA is recommending an enhancement to the program which offers a voluntary, fully employee paid option to purchase spouse and/or dependent life insurance through payroll deduction.

Effective January 1, 2015, DRBA recommends implementing spousal coordination of benefits where the employed spouse must obtain health care coverage through their own employer. If they wish to continue coverage under the DRBA, DRBA's coverage would be secondary.