



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

Board of Directors  
**Human Resources and Labor Relations Committee**

Tuesday, November 10<sup>th</sup>, 2020  
11:00 am

**Microsoft Teams**

[Click here to join the meeting](#)

**Or call in (audio only)**

[+1 202-753-6714](#)

ID: 215 849 267#

- 1. Call to Order.....Emile Thompson  
Chairperson
- 2. Roll Call.....Linda Manley  
Board Secretary
- 3. [2021 Rate Renewals for Medical Benefits](#).....Ron Lewis  
Manager, Benefits
  - A. Medical Coverage increases
  - B. Long Term Disability increase
- 4. Executive Session\*.....Emile Thompson  
Chairperson
- 5. Adjournment .....Emile Thompson  
Chairperson

1 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.



# 2021 Benefit Plan Renewals

*Presented to HR Labor Relations Committee  
November 10, 2020*



## 2021 Medical Plan Cost Annual

2020 Carrier/Plan	Enrollment	2020 Employee Cost	2020 DC WATER Cost	2020 Total Cost
CIGNA OAP In-Network	225	\$1,173,397	\$3,928,342	\$5,101,739
CIGNA OAP	332	\$1,747,369	\$5,849,882	\$7,597,251
<b>Total Medical</b>	<b>557</b>	<b>2,920,766</b>	<b>9,778,224</b>	<b>12,698,990</b>

2020 Carrier/Plan	Enrollment	2021 Employee Cost	2021 DC WATER Cost	2021 Total Cost	2021 \$ Change over Current	2021 % Change over Current
CIGNA OAP In-Network	225	\$1,214,499	\$4,065,985	\$5,280,484	\$178,745	3.5%
CIGNA OAP	332	\$1,808,578	\$6,054,836	\$7,863,414	\$266,163	3.5%
<b>Total Medical</b>	<b>557</b>	<b>3,023,077</b>	<b>10,120,820</b>	<b>13,143,897</b>	<b>444,908</b>	<b>3.5%</b>



# 2021 Medical Plan Cost Monthly

Vendor/Plan	2020				2021			% Change
	Enrollment	Monthly Employee Cost	Monthly Employer Cost	Renewal	Monthly Employee Cost	Monthly Employer Cost	Renewal	Dollar Difference
<b>Medical Plan - CIGNA OAP In-Network</b>								
<b>DC Water Employees</b>								
Individual	68	\$196.75	\$658.69	\$855.44	\$203.64	\$681.77	\$885.41	3.5%
Employee + 1	48	\$414.13	\$1,386.42	\$1,800.55	\$428.63	\$1,435.00	\$1,863.63	3.5%
Family	109	\$591.98	\$1,981.86	\$2,573.84	\$612.72	\$2,051.30	\$2,664.02	3.5%
<b>Annual Total</b>	<b>225</b>	<b>\$1,173,397</b>	<b>\$3,928,342</b>	<b>\$5,101,739</b>	<b>\$1,214,499</b>	<b>\$4,065,985</b>	<b>\$5,280,484</b>	<b>\$178,745</b>
<b>Medical Plan - CIGNA Open Access Plus</b>								
<b>DC Water Employees</b>								
Individual	123	\$211.28	\$707.33	\$918.61	\$218.68	\$732.11	\$950.79	3.5%
Employee + 1	71	\$445.72	\$1,492.21	\$1,937.93	\$461.34	\$1,544.49	\$2,005.83	3.5%
Family	138	\$637.54	\$2,134.36	\$2,771.90	\$659.87	\$2,209.14	\$2,869.01	3.5%
<b>Annual Total</b>	<b>332</b>	<b>\$1,747,369</b>	<b>\$5,849,882</b>	<b>\$7,597,251</b>	<b>\$1,808,578</b>	<b>\$6,054,836</b>	<b>\$7,863,414</b>	<b>\$266,163</b>



# 2021 Medical Plan Cost Bi-weekly

Vendor/Plan	2020				2021			% Change
	Enrollment	Bi-Weekly Employee Cost	Bi-Weekly Employer Cost	Current	Bi-Weekly Employee Cost	Bi-Weekly Employer Cost	Renewal	Dollar Difference
<b>Medial Plan - CIGNA OAP In-Network</b>								
<b>DC Water Employees</b>								
Individual	68	\$90.81	\$304.01	\$394.82	\$93.99	\$314.66	\$408.65	3.5%
Employee + 1	48	\$191.13	\$639.89	\$831.02	\$197.83	\$662.31	\$860.14	3.5%
Family	109	\$273.22	\$914.71	\$1,187.93	\$282.80	\$946.75	\$1,229.55	3.5%
<b>Annual Total</b>	<b>225</b>	<b>\$1,173,388</b>	<b>\$3,928,361</b>	<b>\$5,101,748</b>	<b>\$1,214,521</b>	<b>\$4,065,971</b>	<b>\$5,280,493</b>	<b>\$178,744</b>
<b>Medical Plan - CIGNA OAP</b>								
<b>DC Water Employees</b>								
Individual	123	\$97.51	\$326.46	\$423.97	\$100.93	\$337.90	\$438.83	3.5%
Employee + 1	71	\$205.72	\$688.71	\$894.43	\$212.93	\$712.84	\$925.77	3.5%
Family	138	\$294.25	\$985.09	\$1,279.34	\$304.56	\$1,019.60	\$1,324.16	3.5%
<b>Annual Total</b>	<b>332</b>	<b>\$1,747,365</b>	<b>\$5,849,881</b>	<b>\$7,597,246</b>	<b>\$1,808,604</b>	<b>\$6,054,832</b>	<b>\$7,863,436</b>	<b>\$266,190</b>



## CIGNA Renewal

- **2019** – Premiums increased 8%
- **2020** – Premiums increased 10.4%
  - Medical claims experience was trending at 24.0% based on 12-month rolling trend
  - Pharmacy claims experience was trending at 38.4% based on 12-month rolling trend
- **2021 – 3.5% final renewal increase**

(Aon projections calculated 11.2% blended increase, based on calculated 13.5% increase for OAP, and 7.8% increase for HMO)

Final renewal achieved through a combination of negotiated concessions by CIGNA and accepted formulary changes by DC Water.

- Includes underwriting adjustments of \$700,000
- Reduced proposed increase to 3.5% with three changes.
  1. Mandatory generics prescriptions
  2. HMCM Complete replaced current HMCM Preferred
  3. Standard Formulary replaced current Legacy Formulary
- Medical claims experience trending at 6.9% based on 12-month rolling trend
- Pharmacy claims experience is trending at 16.6% based on 12-month rolling trend\*
- Most recent period reflects 15 large claimants over \$100K (compared to 13 in prior 12-5 month period)



## Life and Disability Renewal

- **2021 Rate holds for all lines except for CIGNA LTD**
- **CIGNA LTD renewal increase 20%**
  - Current rate guarantee expires 2020
  - Initial proposal was called for and increase of 30%
  - Experience suggested a higher rate action than proposed
    - Basic Life: No change
    - STD CIGNA No change
    - LTD CIGNA Increase 20%
  - New proposed rates are guaranteed through 2022

***Employee LTD example:***

Average EE pays \$49 Per Month

20% Increase: Employee pays an additional \$9.80 per month (\$117 per year)



## Dental and Vision Renewal

- **Delta Dental DPPO**
  - Proposed current rate hold through 2021
  - Aon projections calculate 2.3% decrease
  - Projections based on data through February 2020
  - Dental claims experience is trending at 2.5% based on 12-month rolling trend
  - 2020 Aon Carrier Trend Survey indicates DPPO trend of 3.3%
  
- **United Concordia DHMO**
  - Current rates are guaranteed through 2022
  - 2020 Aon Carrier Trend Survey indicates DHMO trend of 3.2%
  
- **NVA Vision**
  - Current rates are guaranteed through 2021
  - 2020 Aon Carrier Trend Survey indicates vision trend of 2.6%





# Union Representatives Meeting

- **Meeting held on October 23, 2020 to review the rate renewals and plan changes**
  - There were concerns surrounding CIGNA formulary changes
  - Explained an appeal process; doctors may make a written appeal justifying the need for a more expensive drug.
  - Impacted employees will receive a letter from CIGNA.
  
- **Follow up email included the following:**
  - Example letter for impacted employee
  - CIGNA's confirmed of no impact on cancer/oncology drugs