SUMMARY STATEMENT


COMMITTEE:  Finance

COMMITTEE DATE:  August 7, 2013

BOARD DATE:  September 18, 2013

PROPOSAL:  Staff seeks authorization to accept the renewal quote from Vision Benefits of America (“VBA”) to provide vision coverage to active benefit-eligible DRPA/PATCO employees and their eligible dependents for plan years January 1, 2014 – December 31, 2015.

PURPOSE:  To continue to provide a quality vision care benefit package for active benefit-eligible DRPA & PATCO employees and their eligible dependents.

BACKGROUND:  As part of its benefits package for benefit-eligible active employees the DRPA & PATCO has traditionally provided vision coverage for employees and their eligible dependents. In 2011, we entered into a three-year agreement with VBA for an approximate premium of $43,755 annually.

This year we marketed the vision plan. In addition to the incumbent, Vision Benefits of America, three carriers also submitted quotes. The marketing results is as follows:

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Premium</th>
<th>Percentage Over Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision Benefits of America</td>
<td>$46,795</td>
<td>7%</td>
</tr>
<tr>
<td>Eye Med Vision Care</td>
<td>$68,695</td>
<td>57%</td>
</tr>
<tr>
<td>VSP</td>
<td>$71,689</td>
<td>63.8%</td>
</tr>
<tr>
<td>UHC</td>
<td>$82,952</td>
<td>89.6%</td>
</tr>
</tbody>
</table>

Based on DRPA/PATCO claims experience since the last renewal in 2011, VBA initially called for a 19% renewal. However, as a result of negotiations, they made concessions and proposed the following two renewal options in order to retain the relationship with the Authority:

1. Renewal rate increase of 7%, for an estimated annual premium of $46,795, which is an increase of $3,040 annually (Vision Benefits of America will lock in the rate for 24 months); or

2. Renew at current rates with the addition of a $20 co-pay for in-network glasses (co-pay would not apply to exams, contacts, or out-of-network reimbursements).
Our broker, Gallagher Benefit Services, recommends that we renew with VBA at the 7% increase and keep the current plan benefits.

Staff supports the broker’s recommendation. If approved, the 2014-2015 contract with Vision Benefits of America DRPA and PATCO will renew at $46,795, which is 7% over current or a $3,900 annual increase. The rate would remain in effect until December 31, 2015.

SUMMARY:

Amount: Approximately $46,795 (single-$4.05 monthly; Family - $10.10/monthly)
This covers both DRPA and PATCO.
The renewal is based on the current DRPA/PATCO census, and is subject to change as the census changes.

Source of Funds: Revenue Fund, General Fund
Capital Project #: N/A
Operating Budget: DRPA/PATCO Employee Services Expense
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: 24 months/Two Years
Other Parties Involved: Vision Benefits of America
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to negotiate a two-year contract with Vision Benefits of America for the provision of vision care benefits to active DRPA & PATCO benefit-eligible employees and their eligible dependents for plan years January 1, 2014 through December 31, 2015, at an estimated annual premium of $46,795; and be it further

RESOLVED: That the estimated annual premium is based on the current census of benefit-eligible employees at DRPA and PATCO, and is subject to change as the census changes; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA and PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer, and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA and PATCO, along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s), while they are absent or unavailable, the Chief Executive Officer shall execute such document(s) on behalf of DRPA and PATCO.

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