

SUMMARY STATEMENT

ITEM NO.: DRPA-17-060

**SUBJECT: Employee Vision Coverage
2018 – 2019 (DRPA/PATCO)**

COMMITTEE:

Finance

COMMITTEE DATE:

August 2, 2017

BOARD DATE:

August 16, 2017

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 a 2-year period from January 1, 2018 – December 31, 2019. If approved, the estimated annual premium will be \$46,170, which is a flat renewal. This estimated premium would remain the same for two years.

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 2015, our broker, Gallagher Benefit Services, marketed the vision coverage for the 2016 plan year. The 2016 VBA Vision Renewal was released with a +1.2% increase for an estimated annual premium of \$47,263. VBA offered two-year rate guarantee, ending December 31, 2017.

During the 2015 marketing effort, Gallagher received quotes from numerous vision providers, but no quotes were as competitive as that offered by VBA.

- Davis Vision via AmeriHealth (+13%)
- Eye Med (+32%)
- NVA (+5%)
- Superior Vision (+41%)
- VSP (+25%)

We accepted VBA’s two-year renewal, at a 1% increase for the period 1/1/2016 to 12/31/2017.

SUMMARY STATEMENT
Finance 8/2/2017

Employee Vision Coverage
2018-2019 (DRPA & PATCO)

In 2017, Gallagher Benefit Services obtained a renewal from VBA for the upcoming year beginning January 1, 2018 at 0%. Gallagher further negotiated for a two-year, 0% rate guarantee, and VBA agreed. Our broker recommends that we accept VBA's two-year renewal at a 0% increase through December 31, 2019. Staff agrees with Gallagher's recommendation.

SUMMARY: Amount: Estimated \$46,170 annually 2-year rate guarantee)

Note: This covers DRPA and PATCO. The annual rate is based upon our current DRPA/PATCO census of active benefit-eligible employees as of 7/20/2017 and is subject to change as our 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:	Two-Years, PYs 1/1/2018-12/31/2019
Other Parties Involved:	Vision Benefits of America

RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to accept a two-year renewal 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, 2018 through December 31, 2019, at an estimated annual premium of \$46,170; 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.

SUMMARY: **Amount:** Estimated \$46,170 annually 2-year rate guarantee)

Note: This covers DRPA and PATCO. The annual rate is based upon our current DRPA/PATCO census of active benefit-eligible employees as of 7/20/2017 and is subject to change as our 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:	Two-Years, PYs 1/1/2018-12/31/2019
Other Parties Involved:	Vision Benefits of America