



Date of Memo: November 06, 2024  
Current Meeting: November 14, 2024  
Board Meeting: November 21, 2024

**BOARD MEMORANDUM**

**TO:** Indianapolis Public Transportation Corporation (IPTC) Board of Directors  
**THROUGH:** President and CEO Jennifer Pyrz  
**FROM:** Chief People Officer Britt Griffin  
**SUBJECT:** Consideration and approval of contract with Anthem for group Health, Dental, and Stop-Loss Insurance

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**ACTION ITEM A – 5**

**RECOMMENDATION:**

It is recommended that the Board of Directors authorize the President and Chief Executive Officer to enter into a contract with Anthem for Group Health, Dental, Vision Insurance premiums and Stop-Loss Insurance coverage for current member enrollment at an annual estimated cost of \$12,754,678 (Medical), \$376,323 (Dental), and \$80,750 (Vision) respectively subject to increase or decrease based on future enrollment.

**BACKGROUND:**

IPTC takes a progressive approach to create a healthier workforce and as such provides a comprehensive benefits package to our workforce. As part of this benefits package, IPTC provides its workforce with insurance coverage to help employees offset the cost of health care and to help the employee maintain good overall well-being.

**DISCUSSION:**

Anthem is the incumbent vendor providing group health insurance premiums and coverage and will now continue to offer dental as well. The current dental contract expires at the end of 2024, and to that end, IPTC engaged LHD Benefit Advisors to serve as its broker and procure services for group insurance using the following criteria for a recommendation: total cost of services, contractual benefits, provider network strength, and rate guarantees. Based on these guidelines, Anthem is the suggested successful bidder for the following reasons:

- Anthem was the only bidder that met all the required benefits and networks required by IPTC.
- Anthem offered the lowest dental premiums.
- There will be no network disruption.

The following are the total monthly premium cost to employee under the new plans:

**Health Insurance**

***PPO plan (assuming wellness discount)***

- Employee Only \$151.75 per month
- Employee + Spouse \$366.93 per month
- Employee + Child(ren) \$290.38 per month
- Employee + Family \$523.96 per month

***HDHP (assuming wellness discount)***

- Employee Only \$135.21 per month
- Employee + Spouse \$333.19 per month
- Employee + Child(ren) \$263.96 per month
- Employee + Family \$476.06 per month

***Dental***

- Employee Only \$5.09 per month
- Employee + Spouse \$9.75 per month
- Employee + Child(ren) \$13.66 per month
- Employee + Family \$20.20 per month

Wellness Discount Criteria

New for 2025 plan year, we have simplified the Wellness plan from requiring 6 activities to 2 activities to achieve Wellness premium discount on medical premiums for 2026 plan year. Plan participants must (1) Complete their annual physical with biometric lab review at Marathon clinic and (2) complete a wellness review with a Marathon clinic Health Coach to get better understanding of their personal numbers and any risk factors. IPTC employees will have from January 1, 2025 to September 30, 2025 to complete these 2 activities.

Pharmacy Benefit Manager (PBM) Evaluation

CarelonRx, Anthem PBM, is our current vendor who negotiates drug discounts, rebates from drug manufacturers and pharmacy network for IPTC. IPTC engage LHD Benefit Advisors to evaluate PBM option following criterial for recommendation: Total cost of services, contractual benefit, provider network, drug pricing, rebates and guarantees. Based on these guidelines, CarelonRx, Anthem PBM, is the successful bidder for following reasons.

- CarelonRx offered best drug discount pricing, lowest administrative costs and best drug rebates.
- There will be no network disruption
- There will be no drug coverage disruption.
- CarelonRx included a \$150,000 wellness fund IPTC can use to cover cost of wellness programs.

In summary, IPTC believes that Anthem is the best overall value for the quality and level of services for IPTC employees and families.

**ALTERNATIVES:**

The Board could choose not to award this contract to the recommended vendor and direct the CEO to negotiate with another responding vendor.

**FISCAL IMPACT:**

The total cost of this procurement for the insurance premiums and coverage are within the approved budgeted amounts in the 2025 budget.

**DBE/XBE DECLARATION:**

This contract will be funded by the Operations budget, and therefore, it does not require an established Disadvantaged Business Enterprise Program (“DBE”) participation goal. Given the complexity and nature of this opportunity subcontracting possibilities were limited.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

This action will be reviewed by the Finance Committee on November 14, 2024.