



Mendocino County

Legislation Text

File #: 20-0072, Version: 1

To: Board of Supervisors

From: Human Resources

Meeting Date: February 25, 2020

Department Contact: William Schurtz

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Department Contact: Cherie Johnson

Phone: 234-6600

Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Approval of Retroactive Amendment to Agreement No. 16-003 with Delta Dental of California in the Amount of \$940,100, for a Revised Agreement Amount of \$4,520,314.20, and Revised Agreement Term of January 1, 2016 through December 31, 2020 to Continue to Provide Dental Benefits for County Employees and their Dependents, Effective January 1, 2020 through December 31, 2020

Recommended Action/Motion:

Approve retroactive amendment to Agreement No. 16-003 with Delta Dental of California in the amount of \$940,100, for a revised Agreement amount of \$4,520,314.20, and revised Agreement term of January 1, 2016 through December 31, 2020 to continue to provide dental benefits for County employees and their dependents, effective January 1, 2020 through December 31, 2020; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

On January 5th, 2016 the Board approved Agreement No. 16-003 with Delta Dental of California. On December 18, 2018, the Board approved Agreement No. 16-003-A1.

Summary of Request:

In July 2015 a marketing and analysis process was conducted by Keenan and Associates (Keenan), consultants to the self-funded health plan, with assistance and input from Human Resources staff. Delta Dental of California (Delta Dental) was selected to provide dental benefits to County employees and their dependents. They have been providing excellent dental benefits and customer service since January 1, 2016. Human Resources is requesting approval of this fourth amendment to the original agreement that will continue to provide dental benefits through December 31, 2020.

The annual premium is determined on a Per Employee Per Month (PEPM) basis. In 2019, Keenan reviewed the market trends and determined that the average trend among similar agencies is a 5% increase for dental plans. For the County health plan there is a premium increase of 2% for calendar year 2020. The total annual premium can only be estimated as the number of employees and dependents enrolled in the health plan can fluctuate throughout the year. The PEPM rates for 2020 are \$49.35 for employee only coverage, \$82.95 for employee and spouse, \$101.22 for employee and children, and \$138.13 for employee, spouse and children.

Human Resources has requested that Keenan perform a full market analysis of dental benefits on behalf of the

County health plan, during the 2020 calendar year.

This item is presented for retroactive Board of Supervisors consideration due to delays in the rate information availability for benefits in calendar year 2020. Due to these delays, the contractor's signature was not received until February 7, 2020, therefore requiring retroactive Board approval.

Alternative Action/Motion:

Return to Human Resources staff with further direction.

Supervisory District: All

vote requirement: Majority

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: 0715

current f/y cost: \$927, 653 (estimated)

annual recurring cost: \$940,024 (estimated)

budget clarification: 0715-Health Plan budgeted \$937,419 for Fiscal Year 19/20. This is a calendar year contract and the remainder of the contract amount will be budgeted in Fiscal Year 20/21.

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Janelle Rau, Deputy CEO

CEO Review: Yes

CEO Comments:

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Executed By: Lindsey Dunham, Deputy Clerk I

Date: February 26, 2020

Final Status:**Approved**

Executed Item: **Agreement** Number: 16-003-A2

Note to Department Number of Original Agreements
Returned to Dept: 1 Original Agreement Delivered to Auditor?
Yes

