



Mendocino County

Legislation Text

File #: 20-0885, Version: 1

To: Board of Supervisors

From: Human Resources

Meeting Date: January 5, 2021

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. BOS 16-003 with Delta Dental of California in the Amount of \$837,100, for a Revised Agreement Amount of \$5,218,540, and Revised Agreement Term of January 1, 2016 through December 31, 2021, to Continue to Provide Dental Benefits for County Employees and their Dependents, Effective January 1, 2021 through December 31, 2021

Recommended Action/Motion:

Approve retroactive amendment to Agreement No. BOS 16-003 with Delta Dental of California in the amount of \$837,100, for a revised Agreement amount of \$5,218,540, and revised Agreement term of January 1, 2016 through December 31, 2021, to continue to provide dental benefits for County employees and their dependents, effective January 1, 2021 through December 31, 2021, authorize the Human Resources Director to approve future amendments that do not exceed a 10% of the annual premium amount until such time that the next marketing is conducted; 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. On February 5, 2020 the Board approved Agreement No. 16-003 A2.

Summary of Request:

In January 2016 the County's Self-Funded Health Plan entered into an Agreement with Delta Dental of California for a fully insured dental insurance plan for employees and their eligible dependents. This was made possible by the County's health plan consultant, Keenan & Associates (Keenan), who negotiated the agreement through the Municipal Service Authority (MSA) Dental Pool. Participation in the pool is designed to give agencies a more competitive marketplace to purchase their dental benefits.

In 2018 the MSA Dental Pool transitioned from a fully-insured program to a self-funded program and changed its name to Municipal Dental Pool (MDP). This change allowed the pool to negotiate better rates for its members as the rates are based on benefit utilization and shared administration fees. Dental plans generally trend at an average of 5-6% increase in premium annually however, participation in the dental pool has allowed the County to experience lower than average annual increases and sometimes no increase. For plan year 2021 the MDP negotiated a Per Employee Per Month premium rate decrease of 10%, beginning on

January 1, 2021.

In October of 2020 Human Resources tasked Keenan with performing a full marketing and analysis of employee dental benefits. Two proposals were received, including from Delta Dental. Human Resources reviewed both proposals and determined that continuing with Delta Dental is the best option overall. The number of in-network providers for the other dental plan is very limited and the amount of savings proposed did not outweigh the significant disruption it would cause to employees who would be faced with finding a new provider in the narrow network or incur higher out of pocket expenses if they didn't.

Human Resources is requesting approval of this amendment retroactively as the final signature required was not received within the time frame to place on an earlier agenda.

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: \$879,590.6

annual recurring cost: \$837,00

budget clarification: Premium rates decrease by 10% on January 1, 2021, for this calendar year Agreement.

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: Atlas Pearson, Deputy Clerk I

Date: JANUARY 8, 2021

Note to Department Number of Original Agreements Returned to Dept: 0 Original Agreement Delivered to Auditor? No

Final Status:Approved

Executed Item Type: Agreement Number: 16-003-A3

