



Mendocino County

Legislation Text

File #: 21-0770, **Version:** 1

To: Board of Supervisors

From: Executive Office

Meeting Date: October 19, 2021

Department Contact: Cherie Johnson

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Department Contact: Emma Saucedo

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Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Approval of Agreement with Regional Government Services Joint Powers Association Authority to Enter into an Associate Membership for the Purpose of Joining the Regional Government Services Authority Municipal Dental Pool for Administration of Employee Dental Benefits in the Estimated Amount of \$840,000 Annually, Effective when Agreement is Fully Executed, through December 31, 2023

Recommended Action/Motion:

Approve Agreement with Regional Government Services Joint Powers Association Authority to enter into an Associate Membership for the purpose of joining the Regional Government Services Authority Municipal Dental Pool for administration of employee dental benefits, in the estimated amount of \$840,000 annually, effective when Agreement is fully executed, through December 31, 2023, to authorize automatic subsequent three (3) year renewals that do not exceed a 10% increase over previous year rates, until such time that Assistant Chief Executive Officer gives notice of intent not to renew; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

None.

Summary of Request:

The Regional Government Services Joint Powers Association (RGS) has established a self-funded Municipal Dental Pool (MDP) to serve their clients. To be a client a public agency must be a full or associate member with RGS. RGS provides its clients with efficiencies and cost containment through certain management, administrative, special, or general services. There is no cost to the County for this membership.

RGS has acquired Keenan & Associates (Keenan) to assist in negotiation, implementation and operation of the MDP. Due to the established relationship with Mendocino County and the Self-Funded Health Plan (the Plan), Keenan has allowed the Plan to participate in the MDP. However, to participate in the MDP the participant must have a membership with RGS.

Every year the MDP negotiates network and administration fees directly with Delta Dental, resulting in lower costs to the Plan for employee's dental benefits. The MDP will then provide the Plan with the monthly Per Employee Per Month (PEPM) premium rates. The plan pays the monthly premiums directly to the MDP through Keenan's SETECH division. The collected funds are used to pay the member claims and

administration fees. Participation in the pool reduces the annual cost for employee dental benefits by an estimated 5-10% when compared to purchasing a stand-alone dental insurance policy with equivalent benefits. However, it is important to know that there may be small increases to the annual PEPM rates depending on enrollment, utilization and inflation. Keenan is projecting no increase to the PEPM rates for calendar year 2022 and a 5% increase in calendar year 2023.

The RGS membership and the MDP participation will automatically renew for subsequent three (3) years after the Agreement termination date of December 31, 2023 unless either party gives the other sixty (60) days written notice of its intent not to renew. Staff requests authorization of the automatic renewals until such time that the Assistant Chief Executive Officer or designee, determines the rates are no longer in the best interest of The Plan and gives notice of intent not to renew, or for a finite period of time as directed by the Board.

Alternative Action/Motion:

Return to Executive Office staff with further direction.

Does this Item Support the General Plan? N/A

Supervisory District: All

vote requirement: Majority

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: 0715

current f/y cost: \$840,000 (est. MDP cost)

annual recurring cost: \$840,000 (est.)

budget clarification: Premiums for employee dental benefits are paid monthly to the MDP.

budgeted in current f/y: Yes

if no, please describe:

revenue agreement: No

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Darcie Antle, Assistant CEO

CEO Review: Yes

CEO Comments:

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Executed By: Atlas Pearson, Deputy Clerk I

Date: October 19, 2021

Final Status: **Approved**

Executed Item Type: **Agreement** Number: 21-178

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

