

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 10, 2025

FROM

LEONARDO GONZALEZ, Director, Human Resources Department

SUBJECT

Delta Dental of California Contract, Premium Rates and Administrative Services Only Fee

RECOMMENDATION(S)

1. Approve Dental Preferred Provider Organization premium rates for Delta Dental of California for active employees, Consolidated Omnibus Budget Reconciliation Act participants, and their eligible dependents for plan year 2025-26, as shown in Attachment A.
2. Approve Dental Health Maintenance Organization premium rates for Delta Dental of California for active employees, Consolidated Omnibus Budget Reconciliation Act participants, and their eligible dependents for plan years 2025-26 and 2026-27, as shown in Attachment A.
3. Approve Dental Preferred Provider Organization Administrative Services Only Fee for plan years 2025-27, as shown in Attachment A.
4. Approve **Amendment No. 2 to Contract No. 22-720** with Delta Dental of California updating contract language by inserting a new Exhibit E to reflect the guaranteed Dental Health Maintenance Organization plan premium rates for plan years 2025-27 and Dental Preferred Provider Organization Administrative Services Only fee for plan years 2025-27, with no other changes to the contract terms and conditions for plan years 2025-27.

(Presenter: Leonardo Gonzalez, Director, 387-5565)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost).

BACKGROUND INFORMATION

On October 15, 2021, the Human Resources Department (HR) issued a Request for Proposals (RFP-HRD221-HR2-4366) to solicit vendor proposals for dental plan benefits in order to obtain favorable dental premium rates and cost containment on its dental Health Maintenance Organization and dental Preferred Provider Organization plans for employees and retirees.

As a result of a competitive process, on May 24, 2022 (Item No. 55), the Board of Supervisors (Board) approved Delta Dental of California (Delta Dental) as the group plan provider for active employees, Consolidated Omnibus Budget Reconciliation Act (COBRA) participants, and eligible dependents for plan years 2022-23 through 2026-27, and authorized the Director of HR to finalize contracts with Delta Dental. On July 26, 2022 (Item No. 24) the Board approved

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Contract No. 22-720 with Delta Dental to provide group dental plan benefits for active employees, COBRA participants, and eligible dependents for plan years 2022-23 through 2026-27.

In February 2025, HR contracted with the Segal Company (Segal) to conduct a comprehensive analysis of the County's self-insured Delta Dental Preferred Provider Organization (DPPO) plan's claims experience, including a three-year financial projection to recommend the best rates for plan year 2025-26. Segal provided three different three-year projections that would maintain adequate fund reserves to cover future benefit expenses for the DPPO plan.

Based on Segal's analysis, HR and the Employee Benefits Advisory Committee (EBAC) recommend approval of an approximate 3% increase to the current DPPO rates for active employees, COBRA participants, and their eligible dependents for plan year 2025-26 (as shown in Attachment A), to maintain adequate reserves for the next three years.

HR also contracted with Segal to negotiate the Administrative Services Only (ASO) fee for the DPPO plan and to conduct a comprehensive analysis of the Delta Dental Health Maintenance Organization (DHMO) plan for the 2025-26 plan year. During the 2022 contract negotiations, Delta Dental provided a 3% not-to-exceed rate cap for both the DHMO premium rates and the ASO fee for plan years 2025-26 and 2026-27. An ASO fee is paid biweekly to Delta Dental for each employee enrolled in the County's self-insured DPPO plan. Although the ASO fee is contractually capped at a 3% increase for plan years 2025-26 and 2026-27, Delta Dental proposed maintaining the current bi-weekly fee of \$1.02 per employee (\$2.20 per month) for DPPO plan administration for plan year 2025-26 with no increase for plan year 2026-27 (i.e., a rate pass for the DPPO ASO fee). Delta Dental's internal analysis of the DHMO plan projected a required 6.73% increase over current rates. However, Segal's analysis projected only a 2.4% increase. Ultimately, Delta Dental proposed to maintain the current DHMO rates for plan year 2025-26 and 2026-27 (i.e., a rate pass for the DHMO premium rates).

HR and the EBAC recommend approval of maintaining the current ASO fee and DHMO premium rates for active employees, COBRA participants, and their eligible dependents, with no increases in plan years 2025-26 and 2026-27 as shown in Attachment A. Further, to ensure the proposed rate pass for the ASO fee and DHMO premium rates for plan years 2025-26 and 2026-27 are reflected in the contract with Delta Dental through plan year 2026-27, HR recommends that Contract Amendment No. 2 be approved. Approval of these rate passes will not only ensure our employees' DHMO premiums remain unchanged through plan year 2026-27, but will also ensure the County's ASO fee will remain unchanged.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Jose Mendoza, Deputy County Counsel, 387-5455) on May 13, 2025; Purchasing (Jessica Barajas, Supervising Buyer, 387-2065) on May 15, 2025; Finance (Garrett Baker, Administrative Analyst, 387-3077) on May 21, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 26, 2025.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 10, 2025



cc: HR - Wakcher w/agree
Contractor - c/o HR w/agree
File - w/agree
CCM 06/20/2025