

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

May 24, 2022

FROM

DIANE RUNDLES, Director, Human Resources Department

SUBJECT

Approval of Dental Plan Carrier and Dental Premium Rates for Plan Years 2022-23 through 2026-27 with Delta Dental of California

RECOMMENDATION(S)

1. Approve Delta Dental of California as a group dental plan provider for active employees, Consolidated Omnibus Budget Reconciliation Act participants, and eligible dependents for plan years 2022-23 through 2026-27.
 - a. Approve dental premium rates for plan years 2022-23 through 2024-25 for Delta Dental of California as shown in Attachment A.
 - b. Approve not-to-exceed rate caps for plan years 2025-26 through 2026-27 for Delta Dental of California as shown in Attachment A.
2. Authorize the Director of Human Resources, or designee, to finalize contracts with Delta Dental of California for active employees, Consolidated Omnibus Budget Reconciliation Act participants, and eligible dependents.

(Presenter: Diane Rundles, Director, 387-5570)

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). There is no additional cost to the County associated with the approval of this item as the County's contribution to employee dental insurance premiums is fixed pursuant to ordinances, compensation plans, and negotiated Memoranda of Understanding with individual labor unions.

BACKGROUND INFORMATION

Approval of this item authorizes the Human Resources Department (HR) to continue to administer dental benefits for active employees, Consolidated Omnibus Budget Reconciliation Act (COBRA) participants, and eligible dependents through Delta Dental of California (Delta Dental). The dental benefit plans include Dental Health Maintenance Organization (DHMO) and Dental Preferred Provider Organization (DPPO) options. Additionally, approval of this item establishes dental premium rates for Delta Dental and authorizes HR to implement the new premium rates for plan years 2022-23 through 2024-25.

On October 15, 2021, HR began the request for proposal process to solicit vendor proposals for dental plan benefits. With a collaborative effort and a thorough negotiation process, HR, the

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Employee Benefits Advisory Committee (EBAC), and the County's contracted benefits consultants, the Segal Company (Segal), successfully secured dental plans and rates. In addition, Segal conducted an annual analysis of the County's self-insured DPPO plan to recommend the best rates for plan year 2022-23, while maintaining adequate fund reserves to cover future benefit expenses. Based on this analysis, Segal projected a decrease of 8% to the 2022-23 DPPO premium rate. HR and EBAC are recommending the approval of dental premium rates and not-to-exceed rate caps as shown in Attachment A, which include:

- No increase to the current Delta Dental DHMO premium rates for plan years 2022-23, 2023-24 and 2024-25;
- An 8% decrease to the current Delta Dental DPPO premium rates for plan year 2022-23; and
- A 3% not-to-exceed rate cap for Delta Dental DHMO premium rates and Delta Dental DPPO's Administrative Services Only fee for plan years 2025-26 and 2026-27.

HR is in the process of finalizing active and retired employee contracts with Delta Dental. Delta Dental is the County's incumbent dental plan provider, and has agreed, with minor exceptions, to the County's updated contract terms and rates as part of their last, best and final RFP submission. The contracts are delayed due to the DHMO and DPPO eligibility language updates required by the County to match language in the County's medical plan provider contracts. The active employee contract will be presented to the Board for approval prior to the contract expiration of July 30, 2022. The retiree dental plan contract and rates will be presented to the Board for approval prior to the contract expiration of December 31, 2022.

PROCUREMENT

Per County Policy 11-04, any contract that exceeds \$200,000 during a single annual period must be approved by the Board of Supervisors (Board), and any department seeking services or products with substantial services components in excess of \$100,000 annually, must submit a Request for Proposal (RFP). On October 15, 2021, 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 DHMO and DPPO plans for employees and retirees. In addition to being posted on the County's Electronic Procurement Network (ePro) website, the RFP was distributed to six vendors. HR received four proposals by the December 12, 2021 deadline, and all respondents met the minimum proposer requirements.

The proposals were evaluated according to the following criteria: proposed rates, benefit plan designs, provider access, quality of care, financial stability, customer service, and proposed cost containment strategies. Segal conducted a comprehensive analysis of the proposals and provided a detailed report to EBAC for review and consideration.

After a thorough examination of the comparative report, EBAC selected two dental carriers to interview: Delta Dental and Anthem Blue Cross. These carriers were also asked to submit a last, best, and final proposal for premium rates compared to the existing rates, which were analyzed by Segal to determine annual costs, including DPPO claims, which were provided as follows:

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Dental Carrier	Initial Proposal	Initial Rate Caps	Final Proposal	Final Rate Caps
Delta Dental	0.3%	5% years 4-5	0.0%	3% years 4-5
Anthem Blue Cross	4.8%	3% year 4 3% year 5 6% for Retiree DPPO	4.4%	0% 5% for Retiree DPPO

EBAC determined that Delta Dental's proposal provided the best value in terms of cost for both the County and employees, and as the incumbent provider there is no provider disruption. Delta Dental additionally agreed to provide enhanced benefits for the retiree DPPO-High plan to match the active DPPO plan benefits at no additional cost. Based on claims cost projections identified by Segal, Delta Dental was able to demonstrate the best cost containment over the five-year term of the contract. The EBAC evaluated the proposals and recommended that the County contract with Delta Dental as the County's provider for the active and retiree dental plans. The vendors not recommended for contract award were notified by email on May 10, 2022. To date, no formal protest has been received.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Jose Mendoza, Deputy County Counsel, 387-5455) on May 10, 2022; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on May 10, 2022; Finance (Jessica Trillo, Principal Administrative Analyst, 387-4222) on May 9, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 9, 2022.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 24, 2022



cc: File- Human Resources w/attach
LA 06/1/2022