

**MEMORANDUM  
PERSONNEL DEPARTMENT  
COUNTY OF PLACER**

**To:** Board of Supervisors  
**From:** Nancy Nittler, Personnel Director  
**By:** Karen Mayer, Senior Administrative Services Officer *KM*  
**Date:** July 8, 2008  
**Subject:** Delta Dental Contract Renewal

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**ACTION REQUESTED:** Approve the Personnel Department to sign the renewal of the existing contract with Delta Dental and Preferred Benefit Administrators for fiscal years July 1, 2008 through June 30, 2010.

**BACKGROUND:** Placer County has been self-insured for employee and retiree dental insurance coverage since 1983 with Preferred Benefits Insurance Administrators (PBIA) and Delta Dental administering and adjudicating claims since July 1, 2001. This contract is also part of the County Supervisors Association of California Excess Insurance Authority Program (CSAC-EIA).

Delta Dental and PBIA administer the enrollment and claims processing for approximately 3,620 enrollees in the Placer County dental plan which also includes six special districts and their dependents. Through the CSAC-EIA umbrella, Delta Dental and PBIA are requesting to maintain the same administrative fees, which have been in place for the past three years, of 7.8% of claims plus \$.65/employee/month and would be valid through June 30, 2010.

Delta Dental and PBIA have been consistent on their enrollment & claims processing and works well with Placer County staff to resolve enrollment or claims processing issues that may arise. Delta Dental processed approximately 16,000 dental claims for Placer County employees and their dependents last fiscal year.

**FISCAL IMPACT:** The fiscal year 2008/2009 Dental/Vision self-insurance proposed budget currently includes dental administration fees of approximately \$222,340 based upon the stated administration fees and anticipated claims. Employees and retirees pay the full cost of coverage for their dependents. Placer County pays for the employee only cost for employees and retirees. Special districts pay the full premium for each enrollee to Placer County.

Cc: Linda Oakman, Administrative Services Manager

May 16, 2008

County of Placer  
145 Fulweiler Ave., Suite 200  
Auburn, CA 95603

**RE: CSAC Delta Dental Renewal**

Dear CSAC Delta Dental Member:

As a valued CSAC-EIA member and participant in the EIA Delta Dental program, we would like to thank you for your participation and support of the JPA. The EIA Delta Dental program continues to successfully provide its members with increased cost stability and wholesale discounts. This year the CSAC-EIA Dental program has grown to provide coverage to over 50 counties and special districts representing approximately 40,000 employees.

Your dental plan benefits are scheduled to renew July 1, 2008 for a period of two (2) years, continuing uninterrupted until June 30, 2010.

There is currently no prefund in place for the County of Placer. Your required prefund level is approximately \$48,000, which impacts the funds available to cover your employee's claims on a weekly basis by Delta Dental. Delta Dental has presented two alternatives to increasing your administration fee for the upcoming plan year. The alternatives are outlined below with the cost impact to your administration:

- (1) Implement a prefund of \$48,000 which is reflective of recent reimbursement patterns associated with this account, or:
- (2) Implement a weekly ACH method of payment or weekly wire transfer for claims and administration.

7.80% + \$0.65 PEPM      7.90% + \$0.65 PEPM      7.80% + \$0.65 PEPM		
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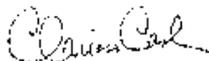
Please review the options outlined above and advise on how you would like to proceed with your administration renewal.

In addition, Delta Dental is offering two new benefit enhancements. The enhancements relate to an additional cleaning and oral exam for pregnant women and implant coverage (covered under the prosthodontic benefit and counted towards the annual maximum). These additions will go into effect July 1, 2008 if you choose to add these benefits to your plan.

Attached is a brief description of the new benefits as well as an acceptance/declination letter that will need to be signed and returned to Alliant Insurance. Please note, if you choose to add this benefit at renewal, Delta Dental is expecting a claims impact of approximately 2% to your group's experience. The addition of these benefits may impact your future experience and/or renewal funding rates.

Please feel free to contact me at (949) 809-1487 or [ccash@alliantinsurance.com](mailto:ccash@alliantinsurance.com) should you have any questions or concerns regarding your renewal. Thank you for your continued participation in the CSAC-EIA Delta Dental program and for the opportunity to meet your dental benefit needs.

Sincerely,



Clarissa Cash  
Account Manager – CSAC-EIA Delta Dental Program  
Alliant Insurance Services, Inc.