



Agenda Date: 12/18/2007
Agenda Placement: 6Y

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Caryn Fagundes for Gregersen, Mark - Director
Human Resources
REPORT BY: Caryn Fagundes, Benefits Administrator, 253-4488
SUBJECT: Agreement with Delta Dental and Cancellation of Agreement No 2612 with Pacific Union Dental

RECOMMENDATION

Human Resources Director requests the following concerning Delta Dental of California and Pacific Union Dental:

1. Authorization to provide notice of termination of Agreement No. 2612 to Pacific Union Dental, effective January 1, 2008; and
2. Approval of and authorization for the Chair to sign a dental service contract with Delta Dental of California for dental benefits effective January 1, 2008.

EXECUTIVE SUMMARY

In recent negotiations with the Public Service Employee (PSE) and Deputy Sheriff's Association (DSA) unions, it was agreed that the Pacific Union Dental plan would be replaced with the Delta Dental DHMO plan option as of January 1, 2008. The proposed action today authorizes the Human Resources Director to provide notice of termination to Pacific Union Dental and approve the agreement with Delta Dental to offer the DHMO plan.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Dental benefits are budgeted by department in employee benefits.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	The monthly premium rate for Delta Dental DHMO effective January 1, 2008

will be \$39.06. The monthly premium rate for Pacific Union Dental was \$69.74. The new Delta DHMO rate reflects a 44% decrease in total premium costs. The rate reduction will be reflected in each department's individual budgets.

Consequences if not approved: If not approved the County will be out of compliance with the Memorandum of Understanding for both DSA and PSE bargaining groups.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County has contracted with Pacific Union Dental (PUD), for dental services since December 1, 1987. Over the past several years, certain aspects of service levels were identified as needing improvement such as the lack of a dental provider network available in Napa. During recent union negotiations with both PSE and DSA it was agreed that the County would replace the Pacific Union Dental Plan with the Delta Dental DHMO plan effective January 1, 2008.

There are currently 43 PUD members who have been contacted and personally advised of the change in dental providers. Human Resources is tracking the PUD members to ensure they elect new coverage effective January 1, 2008. The Delta Dental DHMO plan offers a similar co-payment structure that varies depending on the type of dental service performed.

Dental coverage is a benefit offered to all eligible employees with the premium paid by the County. The monthly PUD premium was \$69.74. The monthly Delta Dental DHMO premium effective January 1, 2008 will be \$39.06. This reflects a 44% reduction in total premium costs. Assuming participation remains unchanged, with 43 participants the annual costs will decrease from \$35,986 to \$20,155.

Today's requested actions are to authorize the Human Resources Director to provide notice of termination to Pacific Union Dental effective January 1, 2008, and to approve and authorize the Chair to sign an agreement with Delta Dental of California for DHMO services effective January 1, 2008.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Collins