



Agenda Date: 6/27/2006
Agenda Placement: 6II

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Caryn Fagundes for Mark Gregersen - Director
Human Resources
REPORT BY: Caryn Fagundes, Benefits Administrator, 253-4488
SUBJECT: Amendment No. 1 to Agreement with Delta Dental

RECOMMENDATION

Human Resources Director requests approval of and authorization for the Chair to sign Amendment No. 1 to Agreement No. 6485 with Delta Dental of California decreasing the administration charge from 8.9% to 8.3% for the term July 1, 2006 through December 31, 2008 for a self-insured employee dental plan.

EXECUTIVE SUMMARY

The County of Napa contracts with Delta Dental to provide discounted fees for dental procedures as well as processing and reviewing claims, mailing explanation of benefit information to members and providing customer service to County employees. After completing a review of the County's dental experience Delta Dental determined that the current administration charge will decrease from 8.9% to 8.3% for the term July 1, 2006 through December 31, 2008. The decreased administration charge represents an estimated annual savings of \$8,700 for Fiscal Year 2006/2007.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Departmental budgets - group insurance
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	There is a need to have an executed amendment for dental services.
Is the general fund affected?	Yes
Future fiscal impact:	Employee dental expense is an ongoing cost and will be budgeted

accordingly in departmental budget request for future years. Self-insured dental expenses including administrative fees are approximately \$131,000 per month which represents an estimated savings of \$8,700 for the 2006/2007 fiscal year.

Consequences if not approved: The County would take advantage of available cost savings.

Additional Information: None

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

Napa County contracts with Delta Dental to provide discounted contract fees for dental procedures ranging from preventive services such as cleaning to oral surgery such as extractions for its employees and eligible dependents.

The County is currently compensating Delta Dental 8.9% of total paid claims on a monthly basis for its administration of the dental plan. Delta administration includes processing and reviewing claims, mailing explanation of benefit information to members and customer service via telephone and web access. After completing a review of the County's dental experience Delta determined that the current administration charge will decrease from 8.9% to 8.3% for the contract term July 1, 2006 through December 31, 2008. The decreased administration charge represents an estimated savings of \$8,700 for Fiscal Year 2006/2007.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Gratton