



ITEM ID: 2024-249-0

TRANSMITTAL DATE: July 19, 2024

MEETING DATE: July 26, 2024

TO: Board of Directors

FROM: Alberto Lara, Chief People Officer
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SUBJECT: Renewal of Agreement with Delta Dental for Dental Insurance for Authority Employees

Issue

The current agreement with Delta Dental for dental insurance will expire on December 31, 2024. Approval is needed to renew this agreement.

Recommendation

Executive Committee recommended (5-0) that the Board authorize the Chief Executive Officer to renew the agreement with Delta Dental for dental insurance.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Staff’s recommendations contribute to this goal by ensuring that the Authority provides a competitive benefits package to recruit, retain and invest in a qualified and diverse workforce.

Background

In addition to the medical insurance offered to employees through the California Public

Employees Retirement System (CalPERS), the Authority offers the following supplemental benefits and services:

- Dental insurance provided by Delta Dental
- Vision insurance provided by Vision Service Plan
- Life, Accidental Death and Dismemberment (AD&D) and Long-Term Disability (LTD) insurance provided by Mutual of Omaha
- Individual Disability Insurance provided by Unum
- Employee Assistance Program (EAP) services provided by Mutual of Omaha
- Accident, Hospital Indemnity, Critical Illness and Short-term Disability insurance provided by Aflac
- Health advocacy services provided by Health Advocate
- Flexible Spending Account and Consolidated Omnibus Budget Reconciliation Act (COBRA) administration services provided by WEX

The current agreement with Delta Dental for dental insurance will expire on December 31, 2024. The remaining insurance plans and services are in the middle of multi-year rate guarantees.

Discussion

Staff requested that Mercer Health and Benefits (“Mercer”), the Authority’s benefits consultant, obtain a renewal proposal from Delta Dental for the current dental plans, with no plan design changes.

As a result of Mercer’s negotiations, Delta Dental proposed no rate increase and a two-year rate guarantee through December 31, 2026, for the Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) plans. The total annual employer cost is estimated to be approximately \$385,000 based on current enrollments, as shown in Attachment A.

Staff considered obtaining proposals from other carriers and/or making plan design changes. However, because Delta Dental proposed no rate increase for 2025 and a two-year rate guarantee, staff recommends that the Authority renew its agreement with Delta Dental for both plans with no changes to the plan designs. Delta Dental has provided outstanding service to Authority employees and their families for over 20 years and has the largest dental provider network in California. With employees living in all five Southern California counties, it is important to have a large network of dentists from whom they can choose. Additionally, the Delta Dental plans provide affordable dental care with low or no co-payments or co-insurance for preventive and other care when using network providers.

Budget Impact

The amount for which contract authority is requested is included in the proposed Operating Budget for FY2024-25.

Next Steps

With Board approval, the agreement will be renewed with Delta Dental under the terms

outlined in the Board Item.

Prepared by: Roxanne Randolph, Human Resources Director

Approved by: Alberto Lara, Chief People Officer

Attachment(s)

[Attachment A - Delta Dental Renewal Proposal](#)