



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

22

2. Council Meeting Date:
September 24, 2015

TO: **MAYOR & COUNCIL**

3. Date Prepared: August 31, 2015

THROUGH: **CITY MANAGER**

4. Requesting Department: Human Resources

5. **SUBJECT:** Amendment to Agreement for Dental Insurance.

6. **RECOMMENDATION:** Staff recommends City Council approve the Amendment to the Agreement with Delta Dental Plan of Arizona, Inc. for the dental insurance benefit in an amount not to exceed \$105,000 for one year.

7. **BACKGROUND/DISCUSSION:** We continue to look for ways to improve the overall wellbeing of our employees and their dependents to include dental plan services ranging from general teeth cleanings to orthodontia with having minimal or no impact to the premiums of which both the City and employee pay. We were effective in ensuring that the following schedule that provides the premium and cost share for the City and the employee will continue to be in effect for plan year 2016.

Dental	Full Rate Monthly Premium	City Pays	Employee Pays
Employee only	\$51.00	\$51.00	\$00.00
Employee + 1	\$83.00	\$58.00	\$25.00
Employee + 2 or more	\$135.00	\$67.50	\$67.50

The administrative rate remains unchanged at \$4.89 per month per member. The administrative rate is paid for by the City's self-funded dental plan.

8. **EVALUATION PROCESS:** City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. Delta Dental Plan of Arizona, Inc. has provided premier dental services to employees since 2002.

Staff recommends extension of this agreement for the term of January 1, 2016 through December 31, 2016.

9. FINANCIAL IMPLICATIONS:

Cost: Not to Exceed \$105,000

<u>Acct. No.:</u> 740.1290.5219 (admin)	<u>Fund Name:</u> Dental Self Insurance	<u>Program Name:</u> Employee Benefits	<u>Cost:</u> \$105,000
--	--	---	---------------------------

10. **PROPOSED MOTION:** Move City Council approve the Amendment to the Agreement with Delta Dental Plan of Arizona, Inc. for the dental insurance benefit in an amount not to exceed \$105,000 for one year.

Attachments: Amendment

APPROVALS

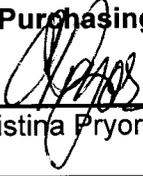
11. Requesting Department


Lynn Soller, Benefit Program Manager

13. Department Head

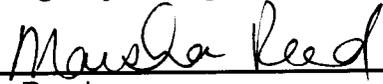

Debra Stapleton, Human Resources Director

12. Purchasing Manager



Christina Pryor

14. Acting City Manager



Marsha Reed

**CALENDAR YEAR 2016
AMENDMENT TO CONTRACT #1193
BETWEEN DELTA DENTAL PLAN OF ARIZONA, INC.
AND THE CITY OF CHANDLER
FOR A DENTAL SERVICE PLAN**

This *Calendar Year 2016 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler For a Dental Service Plan* ("2016 Amendment") is made and entered this 15th day of AUGUST, 2015 to the *Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler* for a dental service plan dated January 1, 2002.

WHEREAS, the City of Chandler and Delta Dental Plan of Arizona, Inc. entered into an Employer Group Dental Contract dated January 1, 2002 ("Contract"); and

WHEREAS, the City of Chandler and Delta Dental Health Plan of Arizona, Inc. have extended this Contract since 2002, through December 31, 2015, subject to the terms and conditions of the original Contract, as amended by *Calendar Year 2015 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan*, incorporated herein by this reference; and

WHEREAS, the City and Delta Dental Plan of Arizona, Inc. want to amend this Contract to extend it for the period from January 1, 2016 through December 31, 2016 subject to the original terms and conditions of the Contract except: 1) as amended by *Calendar Year 2015 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan*; and 2) as amended by Attachment 1, June 10, 2015 letter to Amy Girardo, the Segal Company, from Craig Christian, Account Executive, Delta Dental, RE: DENTAL PLAN RENEWAL-GROUP 1193, Contract Term: January 1, 2016 – December 31, 2016, attached hereto and incorporated herein, to change the administrative fees as set forth in item 2 below.

NOW, THEREFORE, in consideration of the mutual covenants and provisions contained herein and other good and valuable consideration, the parties do agree as follows:

1. The *Contract #1193 Between the City of Chandler and Delta Dental Plan of Arizona, Inc.* dated January 1, 2002 as amended by *Calendar Year 2015 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan* is incorporated herein by this reference.

2. As of January 1, 2016, the *Contract #1193 Between the City of Chandler and Delta Dental Plan of Arizona, Inc.* dated January 1, 2002 as amended by *Calendar Year 2015 Amendment to Contract #1193 Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan* shall remain in full force and effect except as it is amended as follows:

(A) **Appendix B, Summary of Contractual Components, Administrative Fees**, is hereby amended as follows:

Administrative fees for the period of January 1, 2016 through December 31, 2016 shall be:

Employee Only	\$4.89
Employee Plus One Dependent	\$4.89
Employee Plus Two or More Dependents	\$4.89

(B) The Contract is hereby amended to extend the term for the period from January 1, 2016 through December 31, 2016.

3. Except for the provisions amended pursuant to Items 1 and 2 above, the Contract as amended by the *Calendar Year 2015 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler for a Dental Service Plan* shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2016 Amendment to Contract #1193 Between Delta Dental Plan of Arizona, Inc. and the City of Chandler for A Dental Service Plan* to be duly executed this ____ day of _____, 2015.

Employee Dental Plan Provided
By City of Chandler:

By: _____
Mayor

Date: _____

CITY OF CHANDLER,
an Arizona municipal corporation

By: _____
Mayor

Date: _____

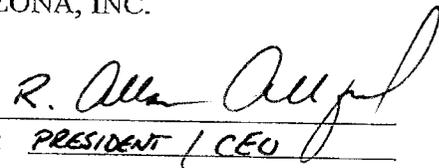
APPROVED AS TO FORM:

City Attorney 

ATTEST:

City Clerk

DELTA DENTAL PLAN OF
ARIZONA, INC.

By: 
Title: PRESIDENT / CEO

ATTEST: (If corporation)

Secretary

Attachment 1



www.deltadentalaz.com

June 10, 2015

Amy Girardo
The Segal Company
PO Box 63610
Phoenix, AZ 85082

Re: DELTA DENTAL PLAN RENEWAL -- GROUP #1193
Contract Term: January 1, 2016 – December 31, 2016

Dear ~~Louis~~, *Amy* :

Delta Dental of Arizona has been privileged to provide dental benefits to the employees of City of Chandler since 1980, under the above referenced group number. We propose to renew the above noted plan for the upcoming contract year under the same terms and conditions now in effect. As a reminder "December" is your open enrollment month for employees to make changes to their plan benefits.

Our Underwriting Department has completed their review to determine the adequacy of the existing billing fees. On the basis of this review, there will be no change to the current administrative fees for the next contract renewal period; additionally, the administrative fee will be guaranteed for 24 months: January 1, 2016 through December 31, 2017. The current and renewal administrative fees are as follows:

	<u>Current</u>	<u>Renewal</u>
Composite:	\$ 4.89	\$ 4.89

	Claims	IBNR	Admin	Commission	Total
Employee:	\$37.23	\$2.33	\$4.89	\$0.00	\$44.45
Employee + 1:	\$77.26	\$4.83	\$4.89	\$0.00	\$86.98
Employee +2 or more:	\$131.54	\$8.22	\$4.89	\$0.00	\$144.65

Thank you for your continued support of Delta Dental of Arizona. Should you wish to continue coverage, please sign and date below and return by mail, email, or facsimile at (602) 588-3921 by November 30, 2015. Also, should you have any questions or have interest in reviewing plan design alternatives at this time, please do not hesitate to call me at 602-588-3930 / cchristian@deltadentalaz.com.

Sincerely,

[Signature]
Craig Christian, RHU, REBC
Account Executive

CSC/ll

[Signature]

Authorized signer

7-29-15

Date

Delta Dental of Arizona
5656 West Talavi Blvd.
Glendale, AZ 85306

Telephone: 602.938.3131
In Arizona: 800.352.6132
Facsimile: 602.588.3636



CITY OF CHANDLER

Group # 1193

Delta Dental PPO plus Premier Provider Network

Benefits Effective: January 1, 2015

Covered Services	Delta Dental		Non
	PPO Dentist	Premier Dentist	Delta Dental Dentist ¹
Annual Maximum Benefit (Combination of in and out-of-network)	\$2,000	\$2,000	\$2,000
Lifetime Orthodontia Maximum (Combination of in and out-of-network)	\$2,000	\$2,000	\$2,000
Annual Deductible (Individual/Family) (Combination of in and out-of-network)	\$25/75	\$25/75	\$25/75
Preventive Services (Does not apply toward the Annual Maximum Benefit)			
<ul style="list-style-type: none"> Exams, evaluations or consultations: Two in a benefit year. Full mouth/Panorex or vertical bitewings X-rays: Once in a 3-year period. Bitewing X-rays: Two in a benefit year. Periapical X-rays: As needed. Routine Cleanings: Limited to two in a benefit year. One difficult cleaning may be exchanged for one routine cleaning. However, the difficult cleaning is limited to once in a 5-year period. EBD Topical Application of Fluoride: For children to age 18 - Two in a benefit year. Space Maintainers: For missing posterior primary (baby) teeth up to age 14. 	100%	100%	100%
Basic Services			
<ul style="list-style-type: none"> Sealants: For children up to age 19 - Once in a 3-year period for permanent molars and bicuspsids. Fillings: Silver amalgam and/or synthetic tooth color fillings on all teeth. One per surface every two years. Stainless Steel Crowns Emergency (Palliative Treatment): Treatment for the relief of pain. Endodontics: Root canal treatment (permanent teeth). Pulpotomy primary (baby) teeth. Periodontics: Treatment of gum disease - Non-surgical once every two years. Surgical once every three years. Oral Surgery: Simple extractions. Oral Surgery: Surgical extractions. 	80% ²	80% ²	80% ²
Major Services			
<ul style="list-style-type: none"> Prosthodontics: Bridges, partial dentures, complete dentures - 5-year waiting period for replacement last performed. Bridge and Denture Repair: Repair of such appliances to their original condition, including relining of dentures. Implants: Implants are only a benefit to replace a single missing tooth bounded by teeth on each side. Limited to \$1000 per tooth, per lifetime and is applied to the patient's annual maximum benefit. Restorative: Crowns and onlays - 5-year waiting period for replacement last performed. 	70% ²	70% ²	70% ²
Orthodontic Services			
<ul style="list-style-type: none"> Benefit for adults and children. Payable in two payments - upon initial banding and 12 months after. The orthodontic maximum is separate from the annual maximum for your other dental benefits. 	50%	50%	50%

¹ Members may incur higher out-of-pocket costs when seeing a Non Delta Dental dentist.

² Deductible applies to these services.

BENEFITS ARE SUBJECT TO ALL PROVISIONS, TERMS & CONDITIONS OF THE GROUP CONTRACT

Dependent Age Limit: 26 | Predetermination recommended for services over \$250.

You are enrolled in a Delta Dental PPO plus Premier plan. You and your family members may visit any licensed dentist. There are three levels to choose from:

- **PPO Dentist** -- Payment is based on the PPO dentist's allowable fee or the actual fee charged, whichever is less.
- **Premier Dentist** -- Payment is based on the Premier Maximum Reimbursable Amount (MRA), filed fee, or the fee actually charged, whichever is less.
- **Non Delta Dental Dentist** -- Payment is based on the non-participating dentist Table of Allowance. Members are responsible for the difference between the non-participating dentist Table of Allowance and the full fee charged by the dentist.

To Find A Dentist - www.deltadentalaz.com

Customer Service Phone # 1.800.352.6132