



Board of Supervisors Memorandum

January 14, 2020

Dental Insurance for County Employees – Fiscal Year 2020/21

Introduction

Pima County has two dental plans for employees: 1) A Dental Maintenance Organization (DMO) provided through Employee Dental Service (EDS); and, 2) A Self-Funded Indemnity Plan, Pima County Dental Plan, administered through Ameritas. Benchmarking of Arizona agencies finds that most organizations throughout Arizona offer no less than two dental choices that are similar to Pima County's Plans. Both contracts are due to expire at the end of Fiscal Year (FY) 2019/20. As such, Human Resources and Procurement have prepared a Request for Proposal (RFP) for each of the dental plans for Fiscal Year (FY) 2020/21.

EDS Plan

The EDS Plan offers less expensive premiums than an indemnity plan, members are limited to only in-network providers in Arizona, and all family members must see the same dentist. EDS has 582 general dentists and 1,099 specialists in the Arizona network. Currently, Pima County has 2,251 active employees and COBRA members enrolled in EDS with 4,568 total members.

Pima County Dental Plan

On the Pima County Dental Plan, members are free to choose their own dentist or specialist, each family member can see different dentists, and for those with dependents who reside out-of-state, providers are available nationwide. Pima County Dental pays the provider directly or reimburses members for qualified dental expenses. Once the deductibles are satisfied, the plan pays a percentage of the dentist's charges up to the annual maximum and the member is responsible for paying the balance. Pima County Dental has 9,267 general dentists and 4,231 specialists in the State of Arizona as well as over 492,000 providers nationwide. Currently, Pima County has 2,854 active employees and COBRA members enrolled in this plan with a total of 6,339 total members.

The following table demonstrates the differences between the two plans:

Dental Plan Comparisons

Dental Plans	Employers Dental Services (EDS)	Pima County Dental (Ameritas)
Plan Type	Dental Maintenance Organization (DMO)	Traditional
Coverage Area	Arizona Only	Nationwide & Mexico
Network	Must select from a list of participating dentists	Preferred Provider listing available for additional discounts
Coverage	Established co-pays	100%, 80%/20% or 50%/50%
Deductible	None	\$50 annual deductible per person (\$150 max per family)
Annual Max	None	\$2,000 annual maximum benefit per person

Current Dental Rate Structure

When comparing our dental plan premiums to other local municipalities, Pima County employees are paying a higher percentage of dental premiums. Currently, the plan pays 50 percent of the employee only rate for all tier levels and employees are responsible for the remaining premiums. The following tables show the current structure for both plans.

Pima County Dental

Current	EE Bi-Weekly Cost	EE Annual Cost	ER Bi-Weekly Cost	ER Annual Cost	Number of EEs Enrolled	Total ER Annual Cost
Employee	\$10.23	\$265.98	\$10.23	\$265.98	1,171	\$311,462.58
Employee + Spouse	25.20	655.20	10.23	265.98	494	131,394.12
Employee + Child	23.11	600.86	10.23	265.98	410	109,051.80
Employee + Family	38.01	988.26	10.23	265.98	720	191,505.60
						\$743,414.10

Employers Dental Services (EDS)

[illegible]

Proposed Rate Structure

Providing dental insurance at a lower cost to employees may result in decreased medical claims and better overall employee health. As such, Human Resources proposes that we adjust the Pima County Dental rates to align with the actuarial review and that we share the cost equally with employees in all tier levels for dental premiums effective 07/01/2020. While this will increase the County's annual cost by approximately \$1 million, it should have a positive impact on medical claims cost and align more closely with other local municipalities.

The following tables show the proposed structure for both plans.

Pima County Dental

[illegible]

Employers Dental Services (EDS)

Proposed 50/50	EE Bi-Weekly Cost	EE Annual Cost	ER Bi-Weekly Cost	ER Annual Cost	Number of EEs Enrolled	Total ER Annual Cost
Employee	2.02	52.52	2.02	52.52	1,044	\$54,830.88
Employee + Spouse	4.29	111.41	4.29	111.41	389	\$43,338.49
Employee + Child	5.94	154.44	5.94	154.44	268	\$41,389.92
Employee + Family	6.43	167.05	6.43	167.05	479	\$80,016.95
						\$219,576.24

Recommendation

It is my recommendation that the Board of Supervisors approve the proposed employee dental plans as described above by approving:

1. Sharing of costs equally with employees for all tiers of coverage.
2. Dental premium equivalents as detailed above.
3. Continue offering two dental plans.

Respectfully submitted,


C.H. Huckelberry
County Administrator

CHH/mp – December 31, 2019

c: Jan Leshar, Chief Deputy County Administrator
Cathy Bohland, Director, Human Resources