

Council Meeting Staff Report

October 29, 2019

Agenda No.:	B.
Indexes (Council Goals):	* 2019 Council Goal - Investing in Infrastructure
Presenters:	Harry Burgess
Legislative File:	AGR0636-19

Title

General Services Agreement No. AGR20-04 with Delta Dental of New Mexico for the Purpose of Providing Dental Insurance Benefits for Los Alamos County Employees.

Recommended Action

I move that Council approve General Services Agreement No. AGR20-04 with Delta Dental of New Mexico, in the form attached which has been approved by the County Attorney, for the Purpose of providing Dental Insurance Benefits to Los Alamos County employees.

County Manager's Recommendation

The County Manager recommends that Council approve this Contract for General Services as requested.

Body

On June 9, 2019, the County issued Request for Proposal ("RFP") 20-04 for Dental Insurance Benefits for Los Alamos County employees. The County received five (5) responses to the RFP. Using the criteria established in the RFP, the response by Delta Dental of New Mexico was found to be the most advantageous to the County in providing services and benefits that are similar to what is currently available to employees.

The County has consistently approached the process of RFP's for employee benefits with two major objectives:

- * Maintain the current level of benefits while providing enhancements wherever possible and economically feasible, and;
- * Provide a duplication of existing services with no increase in cost, if possible, or a reasonable increase if necessary.

These objectives were achieved with some assistance from Gibson & Frank, LLC., the County's current employee benefits consultant. Gibson & Frank, provided assistance with the preparation and analysis of the RFP. The responses were also thoroughly evaluated by a team of County employees.

The County self-funds dental insurance for its employees. Delta Dental of New Mexico administers the benefit for the County and charges an Administrative Service Only (ASO) fee in the form of fixed fee per employee per month (PEPM). Through the RFP process, the County was able to obtain a proposal from Delta Dental which reduces the Per Employee Per Month (PEPM) fee from \$4.75 to \$4.63, a savings of approximately 2.5%. This PEPM fee is guaranteed through the end of calendar year 2023.

Funding of Plan expenses, including claims and ASO fees, is achieved by collecting bi-weekly premiums from both the County and Employees. The County pays 80% of the premiums for a full-time eligible employee, 60% for a three-quarter-time eligible employee, and 40% for a half-time eligible employee.

The dental insurance plan has very high participation. Approximately 87% of 598 eligible regular and limited-term employees have elected to enroll. 163 employees have "employee only" coverage. 124 have "employee plus one" coverage. 235 have "employee plus two or more" (family) coverage.

In recent years, the County has been able to offer dental insurance to its employees with covered services and premiums that have remained remarkably stable. Dental insurance rates last changed in 2013.

Alternatives

Should Council choose not to approve Services Agreement AGR20-04 with Delta Dental of New Mexico, possible alternatives would include re-issuing an RFP for the same services or discontinuing dental coverage for Los Alamos County employees.

Fiscal and Staff Impact/Planned Item

Employee benefits are included in the County's biennial budget. The estimated total annual cost for dental insurance benefits, including ASO fees and Claims, based on current enrollment, will be approximately \$460,000. County employees will pay approximately 20% of these costs and the County will pay approximately 80%. Provided that the County does not experience an extraordinary increase in enrollments, the current/anticipated budgets for fiscal years 2020 and 2021 are adequate to pay for the County's portion of dental insurance benefits included in this contract.

Attachments

A - General Services Agreement No. AGR20-04