

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

170



FROM: Human Resources Department

SUBMITTAL DATE:
June 16, 2008

SUBJECT: Administrative Fees increase with American Dental Professional Services, LLC

RECOMMENDED MOTION: 1) Approve and ratify the attached Fourth Amendment to the Administrative Agreement between American Dental Professional Services, LLC, and the County of Riverside, effective January 1, 2008; 2) authorize the Chairperson to sign four (4) copies of the attached Amendment; and 3) retain one (1) copy of the signed Amendment and return three (3) copies to Human Resources for distribution.

BACKGROUND: On August 23, 2001, the Board approved a contract with American Dental Professional Services (ADPS) to provide administrative services for the County's self-funded dental plans (Local Advantage Plus, Local Advantage Blythe and Freedom Dental Plan). The current administrative fees to ADPS for these services have been \$2.67 for the Local Advantage plans, and \$2.82 for Freedom Dental plan, per enrolled employee per month (PEPM). The last administrative fee increase for these services was on September 13, 2005, item 3.46.

[Signature]

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 2,831.	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2008/2009

SOURCE OF FUNDS: Dental Plan Premiums	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *[Signature]*
Elizabeth J. Olson

County Executive Office Signature

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Consent

Consent

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.46, September 13, 2005 | **District:** | **Agenda Number:**

3.36

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* 6/17/08
DATE
ROBERT M. PEPPER, JR.
Department Concurrence

BACKGROUND continued

The attached amendment will modify the agreement to increase the administrative fee for the Local Advantage plans by 7.5% to a new rate of \$2.87 and the Freedom plan by 7.0% to a new rate of \$3.02 PEPM. The Local Advantage plans have a higher utilization, which would justify the greater increase. We currently have 1,999 active and retired employees enrolled in a Local Advantage plan and 360 active and retired employees enrolled in the Freedom Dental plan. The increase is required to cover increasing administrative costs. The County's benefit consultants have reviewed the rate increase and have determined that the increase is appropriate when compared to the current market trend for these specific services. The trust fund that pays the fees has sufficient reserves to cover the increase in administrative fees for the remainder of 2008 without an increase in premiums to employees and retirees. There is no direct cost to the County for the recommended action.