

958



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

**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
May 22, 2012

**SUBJECT:** 2012 – Sixth Amendment to the American Dental Professional Services, LLC., Dental Plan Administration Agreement

**RECOMMENDED MOTION:** That the Board of Supervisors 1) ratify and approve the Sixth Amendment to the American Dental Professional Services, LLC., Dental Plan Administration Agreement (Attachment A), effective January 1, 2012, to establish a claims run-out fee and claims administration fee; 2) authorize the Chairperson to sign four (4) copies of the attached Amendment; and 3) retain one (1) 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 and Local Advantage Blythe).

FORM APPROVED COUNTY COUNSEL  
BY: TAWNY V. LIEU DATE: 5-22-12  
Departmental Concurrence

Barbara A. Olivier  
Barbara A. Olivier  
Asst. County Executive Officer/Human Resources Dir.

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

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

**C.E.O. RECOMMENDATION:** APPROVE  
BY: Elizabeth J. Olson  
County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dept't Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.: 09/29/2009, 3.60 | District: All | Agenda Number:

3.36

**BACKGROUND (Continued):**

The attached Amendment confirms the current claims administration fee of \$3.02 per enrolled employee per month effective through December 31, 2012 and addresses fees associated with claims run-out. In the event the contract is terminated, the claims run-out period is the six (6) month period after a plan year (January – December) ends during which ADPS will continue to pay claims incurred in the prior plan year. The claims run-out period allows dental providers additional time to submit claims to ADPS for payment.

ADPS' standard claims run-out fee is \$10.00 per claim processed. The Human Resources Department was successful in negotiating a run out-fee alternative of "33% of the Administrative fee at either the average fee due during the most recent twelve months prior to the termination date of the Agreement or the fee due for the final month prior to the termination date of the Agreement, whichever is higher." The Human Resources Department estimates that this alternate provision will save the County \$13,000 in claims run-out fees.

Dental premiums fund program costs; there is no additional cost to the County for this recommended action.

**SIXTH AMENDMENT  
COUNTY OF RIVERSIDE – AMERICAN DENTAL PROFESSIONAL SERVICES, LLC  
DENTAL PLAN ADMINISTRATION AGREEMENT**

By and Between

The County of Riverside, State of California

And

American Dental Professional Services, LLC

The Dental Plan Administration Agreement (“Agreement”) between the County of Riverside, State of California (“County”) and American Dental Professional Services, LLC (“Contractor”) for administrative services for dental benefit plan enrollees, is hereby amended as follows:

**ARTICLE III  
FEES AND COMMISISONS**

3.2 Claims Run Out Period. Contractor will provide for a claims run out period of up to six months past the termination date of the Agreement if elected by County. Fees for this service are described in Exhibit A attached to this Agreement (the “Claims Run Out Fee”).

1. EXHIBIT A – FEES

Claims Administration for the Local Advantage Plans are \$3.02 per enrolled employee per month effective through December 31, 2012.

Claims Run Out Fees shall be:

33.3% of the Administrative fee at either the average fee due during the most recent twelve months prior to the termination date of this Agreement or the fee due for the final month prior to the termination date of this Agreement, whichever is higher. This fee to be paid each month of the Claim Run Out Period.

OR

Company may pay \$10.00 per claim processed.

**IN WITNESS WHEREOF**, the parties hereto have caused their duly appointed representatives to execute this Sixth Amendment to the Original Administrative Agreement between County of Riverside and American Dental Professional Services, LLC.

**ATTEST:**  
Clerk to the Board  
Kecia Harper-Ihem

**COUNTY OF RIVERSIDE:**

By \_\_\_\_\_  
Deputy

By \_\_\_\_\_  
Chairman, Board of Supervisors

Date \_\_\_\_\_


Date \_\_\_\_\_

Approved as to form:

Pamela J Walls  
County Counsel

By:  \_\_\_\_\_  
Deputy County Counsel

**AMERICAN DENTAL PROFESSIONAL SERVICES, LLC**

By:  \_\_\_\_\_

Printed Name: Terri M. Lawler

Title: President

Date: 5-11-2012