

TO: BOARD OF SUPERVISORS

DATE: December 20, 2011

SUBJECT: Agreement with UCCI to provide dental insurance and discount vision program for IHSS home workers

BACKGROUND (continued):

The County Purchasing Department on behalf of Public Authority In-Home Supportive Services (IHSS), released a Request for Proposal (RFP HRARC-042) for Dental and Vision Services, mailing solicitations to eighteen (18) organizations and advertising on the County's internet site. Organizations submitted bids in response to the RFP that ranged from \$210,141 to \$229,000 annually.

The two bid proposals were reviewed by a team of IHSS Public Authority personnel and a member of Human Resources based on the following criteria: 1) Experience and Ability; 2) Service; 3) Cost; 4) Provider Network; 5) Minimal Disruption; and 6) Similar Benefit Plan Design.

United Concordia was the lowest cost and most responsive bidder to the RFP and has shown capability to effectively administer the plan and manage costs without sacrificing quality of member satisfaction. For 40 years, United Concordia has administered dental benefit programs and is one of the largest dental insurance carriers in the country, currently administering dental benefits for 8 million members nationwide. Additionally, United Concordia has expanded their Dental Health Maintenance Organization (DHMO) network in Riverside and San Bernardino counties and, if this recommendation is approved no interruption of services, transition periods or plan implementation will be necessary.

Since 2008, United Concordia has administered the IHSS dental plan and understands the unique qualities of the State's ability to fund a portion of the health benefit (medical, dental, and vision) plan services to IHSS Home Care Providers. In spite of the uncertainty of State funding, United Concordia offered the most competitive and cost-efficient plans. United Concordia's best and final for the DHMO fully insured rate along with the discount vision program is \$9.28 per member per month, for a guaranteed two year period (July 1, 2011- June 30, 2013). The 2.5% rate increase is due to overall utilization of the dental plan benefits and number of current enrollees. There are approximately 1,900 employees eligible to participate in the plan.

The Public Authority's contribution for health benefits is \$0.60 per hour for all compensated hours not to exceed the agreed upon annual aggregate net County cost as outlined in the current MOU between UDWA and Public Authority.

The United Concordia contract was amended to incorporate contract terms that were better aligned with the Board's policies. As a result, the contract was filed with the Department of Insurance and was not available for submission to the Board until this time.

FINANCIAL: The funds for this Agreement were budgeted through the normal County budgeting process.

ATTACHMENT(S): Group Contract with United Concordia Dental Plan of California, Inc.

CONCUR/EXECUTE: County Purchasing & Fleet Services

SL:ko