



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HUMAN RESOURCES

**File #:** 21-607

Board Meeting Date: 7/20/2021

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Rocio Kirczun, Human Resources Director  
Kim Pearson, Benefits Manager  
**Subject:** Dental Plan Agreements with Cigna Dental

### **RECOMMENDATION:**

Adopt a resolution authorizing the Human Resources Director or the Director's designee to execute agreements with Cigna Dental for the period of January 1, 2022, to December 31, 2026, with the aggregate amount not to exceed \$3,675,000.

### **BACKGROUND:**

The County's current providers for its dental program are Cigna Dental (DPPO plan) and Delta Dental of California (DHMO plan). 6,150 employees and retirees (plus their eligible dependents) are enrolled in the dental preferred provider organization (DPPO) plan, and 1,198 employees and retirees (plus their eligible dependents) are enrolled in one of the dental health maintenance organization (DHMO) plans. The entire dental program covers 15,323 lives.

The current agreements with all providers expire on December 31, 2021. The Human Resources Department conducted a request for proposals (RFP) in partnership with the labor-management Benefits Committee and the County's consultant, Alliant Benefits Consulting. This RFP was applied to the DPPO claims administration and to the fully-insured DHMO plan.

### **DISCUSSION:**

Proposals were solicited from 8 national carriers that could offer provider networks to meet our plan participants' diverse geographic needs. Eight proposals were received with varying levels of responsiveness.

Each proposal was rated on provider network, pricing and rate guarantees, ability to match or exceed the current benefit plan design, and service and performance guarantees-individually and in the aggregate-during the finalist process.

Based on these criteria, the selection committee unanimously recommends, and the Benefits

Committee supports, approval of Cigna Dental as the sole provider for both the DPPO and the DHMO plans.

The primary reasons for selecting Cigna Dental for the DPPO plan include the following:

- Cigna Dental's proposal for claims administration of \$1.75 per employee per month, or \$129,150 annually, is a 64% reduction from current administration costs and lower than all but one other proposal.
- There would be no disruption to current dentist-patient relationships.
- 76.9% of employees/retirees already receive care from a Cigna contracted provider.
- The matches to dentists are critical to minimizing costs to the County and to our participants. Network dentists have negotiated discounts with Cigna Dental, and those discounts mean lower claims costs to the County and lower out-of-pocket costs for participants.

The primary reasons for switching from Delta Dental to Cigna Dental for the DHMO plan include the following:

- Cigna Dental's network of dentists is larger. In San Mateo County alone, the choice of dentists who are accepting new patients increases from 44 to 70.
- The total annual premium for the DHMO plan will decrease from \$631,319 for Delta Dental to \$606,086 for Cigna Dental.
- In Cigna Dental's plan, patients needing Orthodontics will have a \$0 copayment compared to Delta Dental's \$1,000 copayment.

The transition to Cigna for the DHMO plan will be implemented during the annual open enrollment period in October/November effective January 1, 2022. No transition will be necessary for the Cigna Dental DPPO plan.

This resolution would authorize the Director of Human Resources to execute the agreement. As an incumbent client, the County's renewal contract is planned for the third quarter of 2021, yet staff must begin work with Cigna now to prepare materials for the October Open Enrollment. This resolution contains the County's standard provision allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

County Counsel has reviewed and approved this resolution as to form.

#### **PERFORMANCE MEASURES:**

<b>Measure</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Projected</b>
DPPO-Network Providers in San Mateo County / Percentage Match to Dentists Used by County Participants	463 / 76.9%	463 / 76.9%
DPPO-Plan Administration Cost Per Employee Per Month	\$2.75	\$1.75
DHMO-Number of Network Dentists in San Mateo County Accepting New Patients	44	70

#### **FISCAL IMPACT:**

The 2022 total costs would be \$3,675,000, or \$736,000 per year, a savings of \$98,000, or 11.8%,

from the current \$834,000 per year.