

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 10/16/2007

Consent
 Ordinance

Regular
Public Hearing

Department

Submitted By: Risk Management

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve:

- (A) First Amendment to Wrap Around Agreement for Group Dental Insurance (#R2004 2225), to provide an employee-paid Managed Care Dental Plan (Heritage Plus) with an "Ortho Specialty Benefit Amendment."
- (B) Group Dental Service Agreement with Union Security Insurance Company to provide an improvement in existing coverage for orthodontic services rendered by providers in the Managed Care Dental policy for the period January 1, 2008 through December 31, 2008.
- (C) Final renewal option for the term contract (number KMA 680 04162A) for the Multiple Option Dental program with Assurant Employee Benefits for the period January 1, 2008 through December 31, 2008.

Summary: At its October 19, 2004 regular meeting, The Board of County Commissioners approved a multi-year contract for a voluntary (employee pay-all), triple-option, fully insured dental insurance program with Assurant Employee Benefits for plan years 2005 through 2008. The insurance program consisted of three plans, including a Managed Care Dental Plan, a Scheduled Reimbursement PPO, and a True PPO. The contracted Managed Care Dental Plan rates and co-payments were guaranteed for three years, with one option to renew. The contracted PPO plans were guaranteed for two years, with two options to renew. During renewal negotiations for plan year 2008, which is the fourth and final renewal option for the contract, Assurant Employee Benefits presented an option to add an "Ortho Specialty Benefit Amendment" to the Managed Care Dental Plan, which would provide for an improvement to existing coverage for orthodontia services. This improved coverage involves specific co-payments for orthodontia services with plan specialists who have contracted with the insurer to provide these co-payment driven services. The plan currently in effect provides a 25% discount for orthodontia services being rendered by network specialists according to that specialist's individual retail cost. The new coverage will provide more enhanced and uniform orthodontia coverage from services rendered by participating network specialists. (Countywide) TKF

Background and Policy Issues: (Continued on page 3)

Attachments:

1. First Amendment to Wrap Around Agreement for Group Dental Insurance (#R2004 2225)
2. Group Dental Service Agreement with Union Security Insurance Company.

Recommended by: *Nancy L. Bolton* 9/27/07
 Department Director Date

Approved By: *Paul Seaman* 10/9/07

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	\$0	\$0	_____	_____	_____
External Revenues	\$	\$	_____	_____	_____
Program Income (County)	-----	-----	-----	-----	-----
In Kind Match (County)	-----	-----	-----	-----	-----
NET FISCAL IMPACT	<u>\$0</u>	<u>\$0</u>	=====	=====	=====
# ADDITIONAL FTE					
POSITIONS (Cumulative)	-0---	----0---	-----	-----	-----

Is Item Included In Current Budget? Yes _____ No. _____
 Budget Account No.: Fund Agency Org. Object Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:
 Employees pay the full cost of the plan

C. Departmental Fiscal Review: Gary Kapulker

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

Jim Dink 10-3-07
 OFMB
 ON 10/01/07

Ar J. Jacobs 10/4/07
 Contract Administration
 G. Jean 10/4/07

B. Legal Sufficiency:

This item complies with current County policies.

[Signature] 10/9/07
 Assistant County Attorney

C. Other Department Review:

 Department Director

This summary is not to be used as a basis for payment.

Background and Policy Issues: In 2004, an RFP was issued for a voluntary, employee pay-all triple-option managed care DHMO, scheduled PPO, and True PPO dental program which would provide comprehensive benefits while maintaining affordable rates. Responses from five carriers were evaluated by a four member selection committee. The Selection Committee voted to recommend and negotiate with Assurant Employee Benefits. Effective plan year 2005, employees and their eligible dependents were offered the choice of one of the three plans being offered through Assurant Employee Benefits, which included the first time addition of a True PPO plan. This type of plan, often referred to as a "high option" PPO, provided broader coverage with less money out of pocket for members. The Managed Care Dental Plan and PPO/Schedule plan were to be substantially similar to the expiring plans with former carrier OHS. The one significant differential in the Managed Care Dental Plan from the prior carrier was that orthodontia services, while still covered under the plan for both children and adults, was no longer covered at pre-negotiated co-payments. Rather, orthodontia services were provided by plan specialists at a 25% discount off the specialist's individual retail rates.

For plan year 2008, Assurant has negotiated orthodontia co-payments with participating plan specialists and is now offering enhanced and improved coverage for these services through its Heritage Plus plan. Plan year 2008 is the fourth and final renewal with Assurant Employee Benefits. The addition of the enhanced orthodontia coverage will not only provide employees and their dependents with improved coverage for orthodontia services, but will also be included in the upcoming RFP as an existing plan benefit, which will serve to raise the bar for quotations of coverage from competing carriers. There will be no increase to employees for Options II and III (the Scheduled PPO and the True PPO products), however the Managed Care Dental Plan does require adjustments to the rates and the scheduled co-pays under the plan, which are due to inflation in the dental industry. Assurant's Managed Care Dental Plan co-pays were guaranteed for the first three years of the contract, and it is within the provisions of the contract to adjust these co-pays for the fourth and final year. Participating dentists demand occasional co-pay adjustments as a condition of continued participation in the network.

The negotiated, triple-option plan rates for plan year 2008 are as follows:

<u>MANAGED CARE (Managed Care Dental Plan) MONTHLY RATE</u>		
	CURRENT	RECOMMENDED RENEWAL
EMP. ONLY	\$11.18	\$11.81
EMP. + 1	\$18.40	\$20.20
EMP. + 2	\$25.14	\$27.37
EMP. + FAM	\$29.56	\$36.11

<u>PPO(SCHEDULE AND TRUE) MONTHLY RATE (SAME AS CURRENT)</u>		
	SCHEDULE PPO RENEWAL	TRUE PPO RENEWAL
EMP. ONLY	\$18.67	\$26.36
EMP. + 1	\$36.16	\$50.52
EMP. + 2/MORE	\$45.88	\$58.36
EMP + FAM	\$63.36	\$82.53

**FIRST AMENDMENT
TO WRAP AROUND AGREEMENT R2004 2225
BETWEEN
PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AND
UNION SECURITY INSURANCE COMPANY**

THIS FIRST AMENDMENT, dated _____ day of _____, 2007, to Agreement No. R2004 2225, dated October 19, 2004, by and between Palm Beach County, a Political Subdivision of the State of Florida, (hereinafter "County") and Union Security Insurance Company, a corporation authorized to do business in the state of Florida,

WITNESSETH:

WHEREAS, the name of Fortis Benefits Insurance Company was changed to Union Security Insurance Company effective September 6, 2005, and Denticare, Inc., was merged with and into Union Security Insurance Company effective November 1, 2005, and

WHEREAS, Assurant Employee Benefits provides dental insurance through Union Security Insurance Company (hereinafter "Provider") and;

WHEREAS, the parties entered into Wrap Around Agreement #R2004 2225 to clarify the full group dental insurance offered by the Provider to the Board of County Commissioners of Palm Beach County, Florida, including but not limited to the employees of Palm Tran, Inc. and;

WHEREAS, the term of the Agreement continues in full force and effect up to and through December 31, 2008.

NOW THEREFORE, in consideration of the mutual covenants and agreements expressed herein, the parties agree as follows:

1. The Group Dental Service Agreement with DentiCare, Inc. (DHMO Policy), Exhibit A to the Wrap Around Agreement, shall be replaced in its entirety, effective January 1, 2008, with the Group Dental Service Agreement with Union Security Insurance Company, Exhibit A-1 attached hereto and made a part hereof.

2. The new Group Dental Service Agreement contains an "Ortho Specialty Benefit Amendment" which will improve existing coverage for orthodontia care rendered by network providers in the DHMO Policy.

3. All other provisions of said Wrap Around Agreement, dated October 19, 2004, are hereby confirmed and, except as provided herein, are not otherwise altered or amended and shall remain in full force and effect.

THE REST OF THIS PAGE IS LEFT BLANK INTENTIONALLY

IN WITNESS WHEREOF, the parties have made and executed this First Amendment to the Agreement on behalf of The County on behalf of its Department of Risk Management, Palm Tran, Inc., and the Supervisor of Elections and The Provider and has hereunto set its hand the day and year above written.

Signed, sealed and delivered
in the presence of:

Union Security Insurance Co.,
authorized to do business in the
State of Florida

BY: _____
TITLE: _____

(CORPORATE SEAL)

ATTEST:
SHARON BOCK, CLERK & COMPTROLLER

PALM BEACH COUNTY,
FLORIDA BY ITS BOARD OF
COUNTY COMMISSIONERS
AND ON BEHALF OF PALM
TRAN, INC.

By: _____
Deputy Clerk & Comptroller

By: _____
Addie Greene, Chairperson

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

By: _____
County Attorney

By: _____
Department Director

**Union Security Insurance Company
2323 Grand Boulevard
Kansas City, MO 64108
800.443.2995**

GROUP DENTAL SERVICE AGREEMENT

It is agreed between Palm Beach County Board of County Commissioners ("Group") and Union Security Insurance Company ("Company") as follows:

**ARTICLE I
COVERAGE INFORMATION**

1.1 Group:

Name: Palm Beach County Board of County Commissioners
Address: 160 Australian Avenue, Suite 401
City, State, Zip: West Palm Beach, Florida 33406

1.2 Group Coverage Basis:

Contributory Non-Contributory

1.3 Class of Members to be Covered:

Active Retired

1.4 Form of Coverage (choose one):

Group requests coverage under the Plus Plan with the Specialty Benefit Amendment (SBA).
 Group requests coverage under the Plus Plan with the Ortho Specialty Benefit Amendment (OSBA).
 Group requests coverage under the Plus Plan without the Specialty Benefit Amendment (SBA).

1.5 Total Group Prepayment Fee: The Total Group Prepayment Fee is obtained by multiplying the number of Subscribers in each Fee Category by the Prepayment Fee for that category and adding the results. It is due and payable from Group as set out in this Agreement.

Fee Category	Plan Fee	+ SBA Fee	= Monthly Prepayment Fee
Subscriber Only	\$ 9.82	\$ 1.99	\$ 11.81
Subscriber + One	\$ 16.61	\$ 3.59	\$ 20.20
Subscriber + Two	\$ 23.03	\$ 4.34	\$ 27.37
Subscriber + Family	\$ 27.18	\$ 8.93	\$ 36.11

1.6 **Group Administration Fee:**

Not Applicable Applicable: A group Administration Fee of \$10 for the initial month and \$10 for each subsequent month is due and payable from Group with the Total Group Prepayment Fee.

1.7 **Initial Fee Guarantee Period:** Company will not change the Prepayment Fee for any Fee Category, or the applicability and amount of any Administration Fee, for the first 24 months during which Agreement is in effect (or for the entire period during which Agreement is in effect, if that is a shorter period).

1.8 **Effective Date, Initial Plan Year, Anniversary Date:** This Agreement becomes effective on the first day of January, 2008 ("Effective Date"). Agreement's initial Plan Year begins on the Effective Date and lasts for a period of 12 months, unless terminated before the end of that period by Company or Group. Agreement may be renewed pursuant to the renewal provisions of Agreement unless first terminated by Company or Group. If Agreement is renewed, Agreement's first Anniversary Date is the first day of January, 2009, with subsequent Anniversary Dates on the first day of January in each succeeding calendar year.

**ARTICLE II
ENTIRE CONTRACT**

2.1 **Entire Contract:** The Group Dental Service Agreement, Evidence of Coverage, Copayment Schedule and any applicable exhibits or amendments, hereinafter called "Agreement," form the entire agreement of the parties. This Agreement may be amended or modified. Changes must be in writing executed by Group and an authorized officer of Company.

**ARTICLE III
DEFINITIONS**

The following terms shall be defined as follows:

- 3.1 **Administration Fee:** The Group's Administration Fee (if applicable) is the fee paid by Group in addition to the Total Group Prepayment Fee.
- 3.2 **Anniversary Date:** The first Anniversary Date is the day after the initial Plan Year ends. The Anniversary Date occurs on the same date in each subsequent calendar year.
- 3.3 **Copayment:** Shall mean a per-service fee charged to Member by Plan Provider as identified in the Copayment Schedule.
- 3.4 **Dental Emergency:** The sudden and unexpected onset of an acute condition involving severe pain, requiring immediate dental care for temporary pain relief.

- 3.5 **Dependent:** Subscriber's spouse and Subscriber's natural children from and after moment of birth; adopted children from: a) date of placement or b) moment of birth if Subscriber has entered into an agreement to adopt such child prior to the birth of the child; stepchildren; and foster children. To be eligible, all such children must be under age nineteen (19) years (the "Limiting Age") and unmarried. Dependents will be covered until the end of the calendar year in which they reach the Limiting Age. To be eligible, stepchildren and foster children must also be chiefly dependent on Subscriber for maintenance and support. Eligibility may be extended past the Limiting Age for unmarried children under age twenty-five (25) years who are registered students in regular, full-time attendance at an accredited school, college or university and are chiefly dependent on Subscriber for maintenance and support. Eligibility may be extended past the Limiting Age for unmarried children under twenty-five (25) years who live in the Subscriber's household and are chiefly dependent on Subscriber for support and maintenance. Dependents who are registered students in regular, full-time attendance at an accredited school, college or university or who are living in the Subscriber's household will be covered until the end of the calendar year in which they reach twenty-five (25) years of age. Eligibility may be extended past the Limiting Age for unmarried children who are not capable of self-sustaining employment due to a disability or physical handicap and are chiefly dependent on Subscriber for maintenance and support. If Company requests proof of a Dependent's eligibility, Subscriber must furnish proof within 31 days of Company's request. Company will not require proof of a Dependent's continuing eligibility more than once a year.
- 3.6 **Effective Date:** The date coverage begins under Agreement.
- 3.7 **Emergency Services:** Those dental services required for temporary pain relief in a Dental Emergency.
- 3.8 **Enrollment Form:** Shall mean the Group Enrollment Form.
- 3.9 **Fee Categories:** Member classifications used to determine the applicable Prepayment Fee for each Member's coverage under Agreement.
- 3.10 **Initial Fee Guarantee Period:** The period of time beginning on the Effective Date during which the Company agrees not to change the Prepayment Fee charged for any Fee Category, or the applicability or amount of any Administration Fee.
- 3.11 **Member:** Shall mean a Subscriber or Dependent who is enrolled in Plan.
- 3.12 **Non-Plan Dentist:** A general dentist who is not a Plan Dentist.
- 3.13 **Non-Plan Provider:** A Non-Plan Dentist or a Non-Plan Specialist, or a hygienist or technician acting with or assisting such a dentist.
- 3.14 **Non-Plan Specialist:** A dentist practicing in a dental specialty who is not a Plan Specialist.
- 3.15 **Plan Benefits:** Shall mean benefits for services provided under Agreement, subject to any limitations and exclusions.
- 3.16 **Plan Dentist:** Shall mean a licensed General Dentist who, at time Plan Benefits are provided, is under contract with Company to provide certain dental services to Members. Copayments listed in the **PLAN DENTIST SERVICES** Section of the Copayment Schedule apply only to Plan Dentists who perform the corresponding services listed in the Copayment Schedule. The Plan Dentist selected by Member may not perform all listed services. In order to fully understand payment responsibility for dental services,

Member should discuss availability of services and the proposed treatment and its cost with selected Plan Dentist prior to receiving treatment.

3.17 **Plan Provider:** Shall mean a Plan Dentist or Plan Specialist who, at time Plan Benefits are provided, is under contract with Company to provide services to Members. The term shall include any hygienists and technicians recognized by the dental profession who act with and assist Plan Dentist or Plan Specialist. A list of Plan Providers shall be published in Plan Dentist Directory. Company has sole discretion to determine which providers may be Plan Providers. Plan Providers are independent contractors in private practice and are neither employees nor agents of Company. Company cannot guarantee the availability of any specific provider as a Plan Provider. The status of providers as Plan Providers is subject to change.

3.18 **Plan Specialist:** Shall mean a licensed dentist practicing in a dental specialty who, at time Plan Benefits are provided, is under contract with Company to provide dental specialty services to Members. Some examples of "dentists practicing in a dental specialty" are endodontists, periodontists, oral surgeons, orthodontists and pedodontists. If Group purchases the Specialty Benefit Amendment, each Plan Specialist will participate in only one of the following two categories:

Non-SBA Plan Specialist – offers any dental specialty service he provides to Members at a specific reduction from his normal retail charge.

SBA Plan Specialist – offers certain dental specialty services he provides to Members for specified Copayments (services and Copayments listed in the **PLAN SPECIALIST SERVICES** Section of the Copayment Schedule) and offers all other dental specialty services he provides to Members at a specific reduction from his normal retail charge.

In order to fully understand payment responsibility for dental specialty services, Member should discuss the proposed treatment and its cost with Plan Specialist prior to receiving treatment. Availability of specific types of specialty services from Plan Specialists (or SBA or Non-SBA Plan Specialists) depends on which types of dentists are Plan Specialists. Company cannot guarantee the availability of any specific type of dentist as a Plan Specialist (or an SBA or Non-SBA Plan Specialist). Types of dentists who are Plan Specialists (or SBA or Non-SBA Plan Specialists) may vary from time to time in different parts of the Service Area. If Group purchases the Specialty Benefit Amendment, the Copayments listed in the **PLAN SPECIALIST SERVICES** Section of the Copayment Schedule apply only to SBA Plan Specialists who perform the corresponding services listed in the Copayment Schedule. The SBA Plan Specialist selected by Member may not perform all listed services.

3.19 **Plan Year:** The initial Plan Year begins on the Effective Date and lasts until the day before the first Anniversary Date. Each subsequent Plan Year begins on the Anniversary Date and lasts for a period of twelve (12) calendar months.

3.20 **Prepayment Fee:** The periodic fee paid to Company for each Member's coverage.

3.21 **Service Area:** The geographic area where Plan Benefits are available. The extent of the Service Area is within the sole discretion and determination of Company.

3.22 **Subscriber:** Shall mean an employee, member, or beneficiary of Group who is eligible to participate in Plan under the eligibility requirements determined by Group.

3.23 **Total Group Prepayment Fee:** The sum of the Prepayment Fees for coverage of all Members.

**ARTICLE IV
PREPAYMENT FEE, ADMINISTRATION FEE, AND ELIGIBILITY**

- 4.1 **Prepayment Fee and Administration Fee:** Group shall pay Company the Prepayment Fee for each enrolled Member. Group shall also pay Company the Administration Fee (if applicable) at the same time and in the same manner as the Prepayment Fees. The Total Group Prepayment Fee and (if applicable) Administration Fee shall be paid in a single payment. This starts on the Effective Date and continues on the first day of each month thereafter while Agreement is in force.

After the Initial Fee Guarantee Period, Company reserves the right to change any Prepayment Fee and to change the applicability and amount of any Administration Fee upon sixty (60) days written notice to Group. Payment of any amended Prepayment Fee or Administration Fee indicates acceptance of the amended Prepayment Fee or Administration Fee.

- 4.2 **Grace Period:** This Agreement has a thirty (30) day grace period. This means that if any required prepayment fee is not paid on or before the date it is due, it may be paid subsequently during the grace period. During the grace period, the Agreement will stay in force.
- 4.3 **Provision of Plan Benefits/Plan Providers:** Group acknowledges that unless there is a need for Emergency Services, Agreement provides exclusively for services performed by a Plan Provider. Company shall not have any liability due to treatment by any Non-Plan Provider, physician, hospital, other person, institution or group. Each Member shall select a Plan Dentist from Plan Dentist Directory furnished by Company to Group. Agreement provides for services only. It is not an insurance policy. It does not reimburse Member or Group, except for Emergency Services.
- 4.4 **Eligibility List:** Group shall be responsible for providing Company, by the 20th day of the month, the names and other identifying data for each Member to be covered in order for eligibility to be effective on the 1st day of the succeeding month, unless otherwise noted in this Agreement. Group shall identify those Members who are newly eligible to receive Plan Benefits. Group shall name the Plan Dentist selected by each Member who is newly eligible. Group shall identify those Members whose coverage will terminate. Group shall be responsible for payment of Prepayment Fees due Company for Members. Payment shall continue until notice of a change in eligibility is provided by Group to Company.
- 4.5 **Eligibility:** Group shall determine eligibility for participation in Plan. Company may rely upon such decision until Group provides notice of a change in eligibility. Any disputes or inquiries from Members regarding eligibility, including renewal or continuation of coverage, shall be referred by Company to Group. Group shall advise Company of its decision. Each Member must work or live in Plan Service Area in order to participate in Plan.

Subscriber and his Dependent(s) are eligible to become Members of Plan during the open enrollment period set by Group. Group may allow enrollment to take place other than during open enrollment for reasons including, but not limited to, Subscriber becoming a new employee of Group, loss of eligibility under other dental benefit plans, or a change in Dependent status. If an additional Prepayment Fee is required for a newly added Dependent, Group must notify Company and pay the additional Prepayment Fee within thirty-one (31) days after that date.

- 4.6 **Coverage of Members:** The Effective Date of coverage for Subscriber or Dependent shall be the first day of the month after written notice and payment of the Prepayment Fee is accepted by Company. Each Subscriber or Dependent enrolled in Plan and whose proper Prepayment Fee has been accepted by Company on or before the 20th day of a month will be covered beginning the first day of the following month. Each Subscriber or Dependent enrolled in Plan and whose proper Prepayment Fee has been accepted by Company after the 20th day, but by the last day, of the month will be covered beginning the first day of the second following month. However, Subscriber's newborn natural children and newborn adopted children (if Subscriber has entered into a written agreement to adopt such child prior to the birth of the child) will be covered from the moment of birth. Children placed with Subscriber for the purpose of adoption will be covered from the moment of placement.
- 4.7 **Enrollment Forms:** Each Member shall complete an Enrollment Form or suitable proof of enrollment.

ARTICLE V BENEFITS

- 5.1 **Plan Benefits:** Company shall provide benefits for dental services to Members as set forth in the Evidence of Coverage and Copayment Schedule. Services are subject to limitations and exclusions. Services are provided for the term of Agreement. Company reserves the right to change Plan Benefits after the initial Plan Year. Notice of change is subject to sixty (60) days written notice to Group.
- 5.2 **Copayments and Other Charges:** Member is responsible for payment of all Copayments, any additional laboratory fees for certain dental services as stated in the Copayment Schedule, and all charges for services that are not Plan Benefits. Member must pay dental provider at the time service is rendered. Member may have an option to pay according to provider's billing procedures.
- 5.3 **Current Dental Terminology:** The most current dental terminology may not be reflected in Agreement. However, Plan Benefits will be based on the most current dental terminology. From time to time, and with at least thirty (30) days written notice to Group, Company reserves the right to update Agreement to reflect the most current dental terminology.

ARTICLE VI MEMBER/PLAN PROVIDER RELATIONSHIP

- 6.1 **Member/Plan Provider Relationship:** The relationship between Member and Plan Provider shall be an independent professional one. Plan Provider shall be solely responsible, without intrusion by Company or Group for all services within the professional relationship between Member and Plan Provider. Company has the right to refuse Plan Benefits, and Plan Provider has the right to refuse treatment, to any Member who: (1) fails to follow a prescribed course of treatment; (2) fails to keep confirmed appointments; (3) fails or refuses to make required payments (including but not limited to Copayments, laboratory fees or missed appointment fees) or any charges for non-covered procedures; (4) uses the relationship for illegal purposes; or (5) otherwise makes the professional relationship unduly burdensome.
- 6.2 **Plan Provider Facilities:** The operation and maintenance of Plan Provider's facilities and equipment shall be completely under the control of Plan Provider. This includes the selection of staff, supervision of personnel and operation of the professional practice. It also includes rendition of any particular professional service or treatment.

- 6.3 **Providers Not Participating with Plan:** Company does not review practice standards of Non-Plan Providers. Members who obtain services from Non-Plan Providers should separately assess the practice standards and skills of those providers.

ARTICLE VII ADMINISTRATION

- 7.1 **Distribution of Plan Materials and Notices to Members:** Company may be obligated under state law to give notice or Plan materials to Member. If so, it shall be sufficient for Company to give notice or Plan materials to the Group's delegate, unless state law requires otherwise. Group shall then be responsible for providing notice or Plan materials to Subscribers.

7.2 **Selection of Provider:**

- A. **Plan Dentist:** Each Member shall select a Plan Dentist from Plan Dentist Directory. To obtain Plan Benefits, Member shall contact selected Plan Dentist. Either Member or Plan Dentist may request a change of Plan Provider selection by contacting Company.

- B. **Plan Specialist:**

Without Specialty Benefit Amendment: If Member requires specialty services covered under Plan that cannot be provided by Member's selected Plan Dentist, Member may obtain services from a Plan Specialist. No referral from the selected Plan Dentist is needed. Plan does not cover services received from Non-Plan Providers.

With Specialty Benefit Amendment: Under the Specialty Benefit Amendment, Member may obtain services from a Plan Specialist. No referral from the selected Plan Dentist is needed. Member's out-of-pocket amount may vary depending on whether services are received from an SBA Plan Specialist or a Non-SBA Plan Specialist. Plan does not cover services received from Non-Plan Providers.

- 7.3 **Emergency Services:** Procedures for obtaining Emergency Services are in the Evidence of Coverage. A copy of the procedures may also be obtained by contacting Company.

- 7.4 **Assignment of Benefits:** Member's coverage is intended for sole use and benefit of Member. Coverage cannot be transferred to a third party.

ARTICLE VIII MEMBER GRIEVANCE PROCESS

- 8.1 **Grievance Procedures:** Inquiries, complaints or grievances may be submitted by telephone or in writing to Company or Plan Provider. Member also has the right to contact the Florida Department of Insurance for assistance, at any time, by calling its consumer hotline (800.342.2762) or by addressing mail to 200 East Gaines Street, Larson Building, Tallahassee, Florida 32399-3000.

- A. **Definition:** A grievance or complaint is defined as any dissatisfaction regarding plan administration, a denial, reduction or termination of a benefit; the way a benefit is provided, or disenrollment decisions. Any such complaint, or grievance, will be considered informal if it is received verbally. A complaint or grievance will not be considered formal until received by Company in writing.

- B. **Informal Grievance:** Member may contact Company Customer Service department at 800.443.2995 regarding any inquiry, complaint or grievance that cannot be resolved to Member's satisfaction. This occurs after speaking directly with the dentist or other concerned party. Company Customer Service Representative will assess and resolve Member's concern. If Member is not satisfied with the resolution, Member may file a written complaint to Company. Company Customer Service Representative will provide Member with the guidelines. In addition, such representative may provide a complaint form to be completed.
- C. **Formal Grievance:** Company expects receipt of a completed complaint form or correspondence from Member expressing dissatisfaction with service or care delivered by Company or Plan Dentist. Any formal grievance may be mailed to: Company Director of Customer Service, P.O. Box 830069, Birmingham, AL 35282-8320. Company will investigate the complaint and will provide a written resolution to Member within sixty (60) calendar days. In matters of quality of care or clinical issues, an appropriate health professional will be consulted. If the complaint is not resolved to Member's satisfaction, Company shall provide an appeal procedure.
- 8.2 **Appeal Procedure:** If Member is not satisfied with the resolution of a written complaint, Member may request an appeal of Company's assessment. Upon receipt of an appeal request, Company will provide Member with Company's written appeal process as defined by Company or applicable State law.

ARTICLE IX TERM AND TERMINATION

- 9.1 **Term:** After the initial Plan Year, each Plan Year of Agreement shall have a twelve month term. It shall be automatically renewed at the Anniversary Date unless otherwise terminated.
- 9.2 **Termination:** Agreement may be terminated as follows:
- A. During the initial Plan Year by Company:
1. For failure to pay proper monthly Prepayment Fees or (if applicable) the proper monthly Administration Fee prior to the 10th of the month in which such fees are due, subject to the grace period explained in the PREPAYMENT FEE, ADMINISTRATION FEE, AND ELIGIBILITY article.
 2. For fraud or misrepresentation of fact in obtaining coverage under Plan, effective immediately upon prior written notice to Group.
 3. For material breach of any provision of Agreement, upon forty-five (45) days written notice to Group.
- B. At Anniversary Date, upon sixty (60) days prior written notice by Company to Group or by Group to Company.
- C. After the initial Plan Year, without cause, upon sixty (60) days prior written notice by Company to Group or by Group to Company.
- 9.3 **Services in Progress at Termination:** If Member's enrollment ends for any reason, each Plan Provider is required to complete all dental services initiated prior to the date

Member's enrollment ends. Member's financial responsibility for such services is determined according to the terms of Agreement in effect on the last day of Member's enrollment.

9.4 **Member Termination:** Member coverage shall terminate as follows:

- A. On the last day of the month for which Group has placed Member on eligibility list and has paid Member's proper Prepayment Fee.
- B. If Member commits fraud or material misrepresentation in the use of services or facilities, coverage for Member will terminate immediately upon written notice.
- C. If Member commits fraud or material misrepresentation on Enrollment Form submitted by Member, coverage will terminate immediately upon written notice. This provision will not be enforced after two (2) years from the time Member's coverage begins.
- D. If Group and/or Company terminates Agreement, coverage for Member shall cease on the termination date of Agreement. This shall be subject to any notice required by state law.
- E. Coverage for Subscriber's Dependents will be terminated if the coverage for Subscriber terminates for any reason. This is subject to continuation privileges for certain Dependents as set forth herein.
- F. Once a Member is no longer qualified as a Dependent, coverage for that Member will terminate.
- G. If Member no longer works or lives in Plan Service Area.

9.5 **Conversion Privilege:** If any Subscriber or Dependent of a Subscriber ceases to meet eligibility requirements of Group and has been continuously covered under Plan for at least 3 months, he may convert to an individual dental plan. This occurs without furnishing evidence of insurability. In order to obtain an individual dental plan, Member must submit a completed individual enrollment form and all required Prepayment Fees to Plan within thirty-one (31) days after termination date. Plan will notify Member in writing of coverage effective date. Conversion privileges shall not be made available to any Member terminated due to:

- 1. failure to pay required prepayment fee or contribution,
- 2. fraud or material misrepresentation in applying for benefits under the Group Agreement,
- 3. willful and knowing misuse of Plan identification or documents,
- 4. willful and knowing furnishing to Plan incorrect or incomplete information to obtain coverage from Plan,
- 5. no longer working or residing in the Plan Service Area,
- 6. disruptive, unruly, abusive or uncooperative behavior that impaired Plan's ability to furnish services to other Members,

or to any Member who will have similar replacement coverage within 31 days.

- 9.6 **Continuation of Coverage under COBRA:** If under the provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law 99-272, Member is granted the right to continuation of coverage beyond the date Member's coverage would otherwise terminate, the following applies. Agreement shall be deemed to allow continuation of coverage as necessary to comply with the provisions of applicable statutes. Member should contact Group concerning eligibility.

ARTICLE X GENERAL PROVISIONS

- 10.1 **Amendments:** By mutual consent, Company and Group may modify, amend or alter Agreement. Such change shall be in writing and duly executed by both parties, except to the extent Company updates Plan Benefits to be based on the most current dental terminology. Any change shall be attached to Agreement. Plan may amend Agreement unilaterally to comply with germane law.
- 10.2 **Waiver:** The waiver by either party of one or more defaults shall not be construed as a waiver of any other or future default. This applies to any covenant or other condition contained in Agreement. Only an authorized officer of Company may waive any conditions or restrictions of Agreement. Only an authorized officer of Company can amend Agreement, extend time for making a payment or bind Company by making any promise or representation. Such promise or representation shall be in writing. No change in Agreement shall be valid unless endorsed by an authorized officer of Company.
- 10.3 **Notice:** Notice to either party under this Agreement shall be in writing. Notice shall be sent to the address shown in Agreement.
- 10.4 **Terms:** Throughout Agreement, the singular shall include the plural and the plural the singular. The masculine shall include the neuter and feminine. The neuter shall include the masculine and feminine.
- 10.5 **Invalidity:** If any provision of Agreement is determined to be illegal or invalid, all other provisions remain valid. This is true unless the illegality or invalidity prevents the purposes of Agreement from being realized.
- 10.6 **Assignment of Agreement:** No assignment of Agreement is binding upon Company unless Company agrees to it in writing. Any such assignment shall not waive Company's right to withhold its consent to any other assignment. There may occur a merger or acquisition involving Group. If so, Agreement shall remain in force with the surviving entity for the balance of the term of Agreement.
- 10.7 **Acknowledgment:** Each of the parties acknowledges that it has read Agreement and understands its contents. Each party acknowledges it executes Agreement voluntarily.
- 10.8 **Authority:** Group represents it has the authority under applicable law and its charter instrument to execute Agreement.
- 10.9 **Worker's Compensation:** Agreement is not in place of and does not affect any requirement for coverage by Worker's Compensation.
- 10.10 **Governing Law:** Agreement shall be governed by and construed according to laws of the State of Florida.
- 10.11 **Circumstances Beyond Company's Control:** Rendition of dental services may be delayed or made impractical due to circumstances not within Company's control. If this

occurs, neither Company nor Plan Provider shall have any liability or obligation to provide services on account of such delay. This includes, but is not limited to, complete or partial destruction of facilities, war, riot and civil insurrection. It also includes labor disputes or disability of a significant number of Plan Providers.

- 10.12 **Major Disaster or Epidemic:** If a major disaster or epidemic occurs, Plan Provider shall render dental services as practical according to his judgment. Such disaster or epidemic may limit available facilities or personnel. In such a situation, neither Company nor Plan Provider shall have any liability or obligation for delay or failure to provide dental services.
- 10.13 **Attorney's Fees and Costs:** If Group defaults in any of its obligations, Group agrees it will pay all of Company's costs to enforce its rights hereunder. This includes, but is not limited to, Company's attorneys' fees and court costs.
- 10.14 **ERISA:** If Group is regulated under the Employee's Retirement Income Security Act of 1974 (ERISA), Company will work with Group in supplying Group with any information in its possession in meeting any reporting requirements. Company is not and shall not be the chosen administrator or fiduciary for reporting requirements.

IN WITNESS WHEREOF, the parties have affixed their signature to this Agreement.

COMPANY: Union Security Insurance Company

GROUP: Palm Beach County Board of County Commissioners

Michael J. Peninger

By: _____
Signature

By: _____
Signature

Michael J. Peninger,
Executive Vice-President

Print Name and Title

Print Name and Title

September 21, 2007

Date

Date