Agenda Item #:3Z-1

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

| Meeting Date: September 14, 2021 | [X] [] | Consent Ordinance | [] | Regular Public Hearing |
|----------------------------------|-----------|----------------------|----|---------------------------|
| Department: Risk Management | | | | - |
| Submitted By: Risk Management | | | | |
| Submitted For: Group Insurance | | | | |

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve:

A) selection of Solstice Benefits; Inc. as the provider for the County's voluntary (employee paid), dental insurance program beginning January 1, 2022 (RFP No. 21-045/DP); and

B) contract with Solstice Benefits, Inc. and United Healthcare Services, Inc. to provide fully insured, employee-paid dental plans for the period of January 1, 2022 through December 31, 2024, with guaranteed rates for three (3) years and two (2) annual options to renew; and

C) expansion of the triple-option dental program by continuing to offer a Dental HMO (DHMO) along with the Low dental PPO (DPPO) and High DPPO and add an Enhanced DHMO and a Premier DPPO to result in a five-plan dental option program.

Summary: An RFP was issued for a voluntary (employee pay-all) multiple option dental insurance program for County employees and their eligible dependents. Proposals from two responsive carriers were evaluated by a seven member selection committee. Both responsive companies offered dental plans at comparable levels of benefits and associated rates, but Solstice Benefits, Inc. offered the most comprehensive coverage at competitive rates. Solstice Benefits, Inc. is a wholly owned subsidiary of United Healthcare Services, Inc. as of March 21, 2021.

It is recommended that the existing DHMO plan is continued with an updated and enhanced Schedule of Benefits, as a Basic DHMO. Further, to continue to offer the Low and High DPPO plans, with an adult orthodontia benefit added to the High DPPO subject to a 4% rate increase to that plan.

Summary (continued on Page 3)

Attachments:

1. Contract with Solstice Benefits, Inc. and United Healthcare Services, Inc.

| Recommended E | By: Hall | 8/24/2021 |
|----------------|--|-----------|
| | Department Director | Date |
| Approved By: _ | Janay & Boltom | 9/1/21 |
| | County/Deputy/Assistant County Administrator | Date |

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

| Fiscal Years | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| Capital Expenditures | | | | | |
| Operating Costs | \$0 | \$0 | \$0 | \$0 | \$0 |
| External Revenues | | | | | |
| Program Income (County | /) | | | | |
| In-Kind Match (County) | | | | | |
| Net Fiscal Impact | \$0 | \$0 | \$0 | \$0 | \$0 |
| # ADDITIONAL FTE POSITIONS (Cumulative |) 0 | 0 | 0 | 0 | 0 |
| POSITIONS (Culturauve) |) | | 0 | 0 | |
| Is Item Included In Proposed Budget? | | Yes | No | <u>X</u> | |
| Budget Account Exp | o No.: Fund | De | ept | Unit | _ Obj |
| Rev | v No.: Fund | De | ept | Unit | _ Obj |

- **B.** Recommended Sources of Funds/Summary of Fiscal Impact: There is no fiscal impact, as the program is 100% employee funded.
- C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments

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B. Legal Sufficiency: \mathcal{V}

7-21 **Assistant County Attorney**

C. Other Department Review:

Department Director

REVISED 9/03 ADM FORM 01 (THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

ncic 911/21 Contract Dev. and Control

Summary: (continued from Page 1)

Premium rates will not increase for the DHMO plan and for the Low DPPO. Premium rates are guaranteed for 36 months with a maximum rate cap of 6% in place for year four and year five of the contract. It is further recommended to add an enhanced higher option DHMO plan as well as a Premier DPPO, resulting in a five plan dental program. In addition to the employees of Palm Beach County Board of County Commissioners, the employees of Palm Tran, Inc. and the Supervisor of Elections will also be eligible to participate in these plans pursuant to the provisions of Interlocal Agreement 2002 2287. Countywide (HH)

Background and/or Policy Issues:

The Board has offered a voluntary (employee pay-all) multiple option dental insurance program to its employees and their eligible dependents since 1978. Since January 1, 2016, the plan has been provided by Solstice Benefits, Inc. The program structure offers a dental maintenance organization plan (DHMO) which is similar to a medical HMO, in that it only covers services by specified network dentists. Also offered are Low and High option DPPO plans, in which members can select any dentist and be covered at a fixed percentage depending on the type of services rendered.

Because plans are voluntary and not subsidized by the Board, it is an ongoing challenge to obtain the best available coverage at a competitive and affordable price. For the upcoming plan year beginning January 1, 2022, staff issued an RFP to solicit competitive proposals after conclusion of a five year contract with Solstice Benefits, Inc. which was extended for a sixth year due to COVID-19 resource constraints. The contract is expiring December 31, 2021. The seven member selection committee evaluated two proposals based on the evaluation criteria of experience, qualifications, background, references, scope of services, provider network, plan design, benefit slate, price proposal and rate guarantee. Solstice Benefits, Inc. was unanimously ranked highest by the selection committee.

The vendor provided a number of benefit enhancements, including:

DHMO:

- Updated Schedules of Benefits for the basic DHMO and newly added Enhanced DHMO
- Elimination of pre-certification requirement for DHMO coverage. Participants may self-refer to obtain covered specialist dental services from a participating dentist without first having to receive pre-authorization from the carrier at the stated co-payments on the Schedule of Benefits (previously any specialist services received would be offered at 25% discount, unless pre-authorized by the carrier)
- Participants may receive 35 named dental procedures outside of the Solstice DHMO network and may receive reimbursement of a portion of the cost, at a fixed pre-determined amount
- Expanded DHMO provider network with participating providers in 35 states
- Wisdom teeth coverage is included in the Enhanced DHMO
- General anesthesia coverage is included when clinically necessary and when administered in conjunction with approved extractions of 3rd molars for the Enhanced DHMO

DPPO:

- Removal of waiting periods for major and orthodontic services
- Addition of adult orthodontia for High DPPO plan (annual orthodontia maximum of \$1,000)
- Premier DPPO offers a \$3,500 annual benefit maximum
- Premier DPPO offers \$2,000 child/adult orthodontia benefit
- General anesthesia coverage clinically necessary and when administered in conjunction with approved extractions of 3rd molars for High DPPO and Premier DPPO

Background and/or Policy Issues: (continued from Page 3)

- Out of Network benefits are based on the 90th percentile of Usual and Customary Charge for the Premier PPO (as compared to 80th percentile for the High DPPO)
- General anesthesia is included when clinically necessary and when administered in conjunction with approved extractions of 3rd molars for the High DPPO and the Premier DPPO
- The Benefit Booster benefit in place for the existing Low PPO and High PPO allows members to earn award dollars to increase their annual maximum. Any balances in place at the end of the current contract will be maintained and rolled over to the new contract for eligible members

The following rates, which are guaranteed for three years, compare to expiring as follows:

| | I – DHMO | | II – Low Option PPO | | III – High Option PPO | |
|------------------|------------|----------|---------------------|----------|-----------------------|----------|
| | Current | Renewal | Current | Renewal | Current | Renewal |
| EE | \$10.94 | \$10.94 | \$17.21 | \$17.21 | \$32.33 | \$33.67 |
| EE+1 | \$18.71 | \$18.71 | \$32.67 | \$32.67 | \$61.95 | \$64.52 |
| EE+2 | \$25.35 | \$25.35 | \$39.96 | \$39.96 | \$71.57 | \$74.54 |
| EE+Family | \$33.45 | \$33.45 | \$55.49 | \$55.49 | \$101.22 | \$105.42 |
| | | | | | | |
| | IV – Enhan | ced DHMO | V – Prem | ier DPPO | | |
| | (Ne | ew) | (New) | | | |
| EE | \$14 | 1.05 | \$41 | .73 | | |
| EE+1 | \$24 | 4.58 | \$79.97 | | [| |
| EE+2 | \$30 |).43 | \$92 | .39 | | |
| EE+Family | \$38 | 3.63 | \$130.66 | | | |