

HUMAN RESOURCES DEPARTMENT
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Date: April 27, 2010

To: Dee Bruemmer, County Administrator

From: Mary J. Thee, Human Resources Director/Asst. County Administrator

Subject: Dental & Vision Insurance Recommendation

On July 23, 2009, the Board of Supervisors approved the hiring of Holmes Murphy as our Health Care benefits consultant. Since that time we have formed a Health Benefits Team. The team includes, yourself, me, Sarah Kautz, Cheri Sexton (Benefits Coordinator), Sherry Burmeister (AFSCME), Michelle Conklin (CWA), Brian Staszewski (DSA), Rich Hume (Teamsters), Rick Hamilton (PPME), Lori Robinson (Courthouse non-barg rep) and Brenda Schwartz (Admin non-barg rep). This team recommended moving to a self funded health coverage through United Health Care. The team has made the following recommendations regarding dental and vision coverage.

The consultant, Jeff Scarpinato of Holmes Murphy sent out an RFP in February for our dental and vision coverage. I have attached a copy of the analysis completed by Holmes Murphy. The dental recommendation is to remain with Delta Dental, but to go to a self funded coverage. The advantage to the County in going self insured is a reduction in administrative costs. The proposal is to enter into an 18 month agreement with Delta Dental, which would allow the plan year to move to a calendar year as we have done with the health coverage. The terms include a rate of \$4.20 per employee per month (approximately \$23,133.60 annually) to act as the County's third party administrator and process the claims. The result would be for FY11 we would keep premiums the same for employees and work on building the fund balance. There are no plan design changes recommended. The anticipated annual savings are \$33,617.

The recommendation for the vision coverage is to stay in a fully funded plan. However the recommendation is to change vendors from VSP (Vision Service Plan) to Avesis. Avesis has agreed to lock in the rates for 30 months. This allows us to move the plan year to a calendar year and contain the costs for an additional year. The proposed rates are \$5.53 for single coverage and \$12.72 for family coverage. The plan design is slightly different with some enhancements for doctors in the network and some minimal cost increases for doctors outside of the network. Additionally there are some increases in the number and types of

**Scott County
Dental Benefit/Cost Analysis Self Funded
Renewal July 1, 2010**

Carrier/Administrator	Delta Dental Current	Delta Dental	Principal	Guardian Choice Plan
BENEFITS				
Calendar Year Deductible	Individual Family	\$25 \$75	\$25 \$75	In-Network Out-of-Network \$25 \$75
Calendar Year Maximum		\$1,500	\$1,500	\$1,500
Lifetime Orthodontic Maximum		\$1,500	\$1,500	\$1,500
Diagnostic / Preventive Exams, cleanings, fluoride X-rays	(no deductible)	100% 100%	100% 100%	100% 100%
Basic Services Simple extractions, surgical services Endodontics - root canal therapy Periodontics - Nonsurgical Fillings, stainless crowns	(deductible applies)	80% 80% 80% 80%	80% 80% 80% 80%	100% 100% 100% 100%
Major Services Crowns, inlays, onlays Periodontics - Surgical Bridges and dentures	(deductible applies)	80% 50% 50%	80% 50% 50%	60% 60% 60%
Orthodontic Services Appliances, treatment & related services	(Ortho deductible)	50%	50%	50%
PROVISIONS				
UCR Percentile		90%	90%	90%
Rate Guarantee		12 Months	18 Months	18 Months
Fees				
Administration Fees - Per Employee Per Month		\$4.20	\$4.84	\$3.40
Annual Administration Costs		\$23,133.60	\$26,658.72	\$18,727.20
Estimated 2010 Claims		\$287,815.68	\$287,815.68	\$287,815.68
Total Estimated Annual Self-Funded Costs		\$344,566.72	\$314,474.40	\$306,542.88
Estimated Savings/Increase \$		(\$33,617.44)	(\$30,092.32)	(\$38,023.84)
Estimated Savings/Increase %		-9.76%	-8.73%	-11.04%

Note: Estimated 2010 Claims are based off of 2009 paid claims with an 8% trend.

Note: Quoted Amounts but rates were not competitive.

Note: This is only a summary of the benefits/premium rates associated with the Group Insurance Program. Please refer to the plan carrier's illustration for full disclosure.

**Scott County
Dental Benefit/Cost Analysis Fully Insured
Renewal July 1, 2010**

Carrier/Administrator	Delta Dental Current	Delta Dental Renewal	MetLife	MetLife	Principal
BENEFITS					
Calendar Year Deductible	\$25 \$75	\$25 \$75	\$25 \$75	\$25 \$75	\$25 \$75
Calendar Year Maximum Lifetime Orthodontic Maximum	\$1,500 \$1,500	\$1,500 \$1,500	\$1,500 \$1,500	\$1,500 \$1,500	\$1,500 \$1,500
Diagnostic / Preventive Exams, cleanings, fluoride X-rays	100% 100%	100% 100%	100% 100%	100% 100%	100% 100%
Basic Services Simple extractions, surgical services Endodontics - root canal therapy Periodontics - Nonsurgical Fillings, stainless crowns	80% 80% 80% 80%	80% 80% 80% 80%	80% 80% 80% 80%	80% 80% 80% 80%	80% 80% 80% 80%
Major Services Crowns, inlays, onlays Periodontics -Surgical Bridges and dentures	80% 50% 50%	80% 50% 50%	50% 50% 50%	50% 50% 50%	50% 50% 50%
Orthodontic Services Appliances, treatment & related services.	50%	50%	50%	50%	50%
PROVISIONS					
UCR Percentile	90%	90%	99%	99%	90%
Rate Guarantee	12 Months	18 Months	18 Months	18 Months	18 Months
RATES					
186 273	\$27.75 \$83.22	\$29.34 \$85.91	\$26.49 \$79.45	\$25.76 \$77.24	\$26.16 \$78.45
459	\$27,880.56 \$334,566.72	\$28,910.67 \$346,928.04	\$26,616.99 \$319,403.88	\$25,877.88 \$310,534.56	\$26,282.61 \$315,391.32
Monthly Total					
Annual Total					
Estimated Savings/Increase \$					
Estimated Savings/Increase %					
		3.69%	-4.53%	-7.18%	-5.73%

Note: Current plan has Endodontics covered at the 80th percentile. MetLife is proposing it at the 50th percentile.
 Note: Quoted Kansas City Life, Lincoln Financial, Guardian, United Healthcare, and Ameritas but they were not competitive.
 Note: This is only a summary of the benefits/premium rates associated with the Group Insurance Program. Please refer to the plan carrier's illustration for full disclosure.

**Scott County
Vision Cost/Benefit Analysis - Fully Insured
Effective July 1, 2010**

Carrier	VSP Current		VSP Renewal		Avesis		Delta Vision		UHC	
	Network	Non-Network	Network	Non-Network	Network	Non-Network	Network	Non-Network	Network	Non-Network
	Benefits	Amount Covered	Benefits	Amount Covered	Benefits	Amount Covered	Benefits	Amount Covered	Benefits	Amount Covered
BENEFIT COPIYMENTS										
EXAMS - (Once every 12 Months)	\$10	Up to \$45	\$10	Up to \$45	\$10	Up to \$35	\$10	Up to \$35	\$10	Up to \$40
MATERIALS	\$20		\$20		\$20		\$10		\$20	
FREQUENCY GUIDELINES										
EXAMINATION	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
LENSES	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
FRAMES	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months
MAXIMUM ALLOWANCES										
FRAMES - (Once every 24 Months)*	Up to \$120	Up to \$47	Up to \$120	Up to \$47	\$50 Wholesale Allowance*	Up to \$45	Up to \$130	Up to \$65	Up to \$130	Up to \$45
LENSES - (Once every 12 Months)	Up to \$120	Up to \$105	Up to \$120	Up to \$105	Up to \$130	Up to \$130	Up to \$130	Up to \$130	Up to \$105	Up to \$105
Elective Contacts	In Full	Up to \$210	In Full	Up to \$210	In Full	Up to \$250	In Full	Up to \$200	In Full	Up to \$210
Medical Necessary Contacts	In Full	Up to \$45	In Full	Up to \$45	In Full	Up to \$25	In Full	Up to \$25	In Full	Up to \$40
Single Vision	In Full	Up to \$65	In Full	Up to \$65	In Full	Up to \$40	In Full	Up to \$40	In Full	Up to \$60
Bifocals	In Full	Up to \$85	In Full	Up to \$85	In Full	Up to \$50	In Full	Up to \$55	In Full	Up to \$80
Trifocals	In Full	Up to \$125	In Full	Up to \$125	In Full	Up to \$80	In Full	Up to \$55	In Full	Up to \$80
Lenticular	In Full		In Full		In Full		In Full		In Full	
PROVISIONS										
Rate Guarantee	24 Months	18 Months	30 Months	18 Months	18 Months	18 Months	18 Months	18 Months	18 Months	18 Months
CENSUS										
195 Single	\$7.93	\$7.93	\$5.53	\$6.35	\$6.35	\$7.78	\$7.78	\$7.78	\$7.78	\$7.78
264 Family	\$17.36	\$17.36	\$12.72	\$16.20	\$16.20	\$17.17	\$17.17	\$17.17	\$17.17	\$17.17
MONTHLY PREMIUM	\$6,129.39	\$6,129.39	\$4,436.43	\$5,515.05	\$5,515.05	\$6,049.98	\$6,049.98	\$6,049.98	\$6,049.98	\$6,049.98
ANNUAL PREMIUM	\$73,552.68	\$73,552.68	\$53,237.16	\$66,180.60	\$66,180.60	\$72,599.76	\$72,599.76	\$72,599.76	\$72,599.76	\$72,599.76
Estimated Savings/Increase \$	\$0.00	\$0.00	(\$20,315.52)	(\$7,372.08)	(\$7,372.08)	(\$952.92)	(\$952.92)	(\$952.92)	(\$952.92)	(\$952.92)
Estimated Savings/Increase %	0.00%	0.00%	-27.62%	-10.02%	-10.02%	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%

* Approximately \$100-\$150 retail frame after applicable materials co-pay if met.

Note: Kansas City Life, Ameritas, Principal, and Guardian we looked at but price and benefits were not competitive.

Note: This is only a summary of the benefits/amounts associated with the Group Insurance Program. Please refer to the plan contract illustration for full disclosure.

Scott County
Vision Network Disruption Analysis
Iowa

Delta Vision

Bettendorf

Bettendorf Eyecare Center
Eye Care Studio

Davenport

The Eye Center of the Quad Cities
Virdi Eye Clinic of Iowa
Lenscrafters
JcPenney Optical
Target Optical

Clinton

DeWitt

Mervin Hassebrock (DeWitt Eyecare Clinic)

LeClaire

Riverside Family Eyecare LLC

Eldridge

VSP

Bettendorf

Eye Surgeonis Associates
Ronald W Vanden Berg
Eye Care Studio
Johnson Eyecare
Bettendorf Eyecare Center
Waddingham Urbaitis & Associates

Davenport

The Eye Center of the Quad Cities
Virdi Eye Clinic of Iowa
Dan Stadelman (Lifetime Eyehealth Associates)
Eye Care Pavilion
Davenport Eye Group
The Eye Center of the Quad Cities

Clinton

Tara Keeseey (Midwest Vision Clinic)
Brian Peck (Midwest Vision Clinic)
Rebecca Peck (Midwest Vision Clinic)

DeWitt

Mervin Hassebrock (DeWitt Eyecare Clinic)
Vision Center of DeWitt

LeClaire

Riverside Family Eyecare LLC

Eldridge

Advanced Eye Care

Avesis

Bettendorf

Eye Surgeons Associates
Bettendorf Eyecare Center
Johnson Eyecare
Eye Care Studio

Davenport

The Eye Center of the Quad Cities
Virdi Eye Clinic of Iowa
Dan Stadelman (Lifetime Eyehealth Associates)
JcPenney Optical
The Eye Center of the Quad Cities
Target Optical
The Main Vision Clinic
Sam's Club Optical #8238
Wal-Mart Vision Center #5115
Vision 4 Less #4
Wal-Mart Vision Center #1241
AmBest #5150
Davenport Eye Group
Eye Care Pavilion

Clinton

Wal-Mart Vision Center #2889

DeWitt

LeClaire

Riverside Family Eyecare LLC

Eldridge

Scott County
Vision Network Disruption Analysis
Illinois

Delta Vision	VSP	Avesis
<p><u>Geneseo</u> William A Bordwell OD (Lifetime Eyecare)</p> <p><u>Moline</u> Francis M Loomis OD The Eye Center of the Quad Cities All about Eyes Sears Optical Lenscrafters Pearle Vision</p> <p><u>Rock Island</u> Rock Island Optometric Center Virdi Eye Clinic Bard Optical</p> <p><u>Silvis</u></p> <p><u>Aledo</u> Doctors Distin & Doyle Eye Center of the Quad Cities Timothy P Arbet OD (Mercer Family Eye Care) Christopher Lear OD (Mercer Family Eye Care) J. Jim Nordquist, OD (Mercer Family Eye Care) Jill K Hays OD (Mercer Family Eye Care) Jill K Hays OD (Mercer Family Eye Care)</p> <p><u>Galesburg</u> Dr. Daniel Sherwood Bard Optical Sears Optical Kehoe Eye Care The Heyde Eye Center</p>	<p><u>Geneseo</u> William A Bordwell OD (Lifetime Eyecare) Eye Surgeons Associates</p> <p><u>Moline</u> Francis M Loomis OD The Eye Center of the Quad Cities</p> <p><u>Rock Island</u> Rock Island Optometric Center Eye Surgeons Associates Virdi Eye Clinic</p> <p><u>Silvis</u> Eye Surgeons Associates Michael G. Hoerres, OD (Jacobson Eye) Paula I Jacobson OD (Jacobson Eye)</p> <p><u>Aledo</u> Timothy P Arbet OD (Mercer Family Eye Care) Christopher Lear OD (Mercer Family Eye Care) J. Jim Nordquist, OD (Mercer Family Eye Care) Jill K Hays OD (Mercer Family Eye Care) Eye Center of the Quad Cities Doctors Distin & Doyle</p> <p><u>Galesburg</u> Dr. Daniel Sherwood Kehoe Eye Care The Heyde Eye Center James R Ruppel Jh Rigsby</p>	<p><u>Geneseo</u> William A Bordwell OD (Lifetime Eyecare) Eye Surgeons Associates</p> <p><u>Moline</u> Francis M Loomis OD The Eye Center of the Quad Cities All about Eyes Pearle Vision Express Sears Optical #0198 Ambest #5151 Vision 4 less #3 Wal-Mart Vision Center #2231</p> <p><u>Rock Island</u> Rock Island Optometric Center Eye Surgeons Associates Virdi Eye Clinic Bard Optical</p> <p><u>Silvis</u> Eye Surgeons Associates</p> <p><u>Aledo</u> Timothy P Arbet OD (Mercer Family Eye Care) Christopher Lear OD (Mercer Family Eye Care) J. Jim Nordquist, OD (Mercer Family Eye Care) Jill K Hays OD (Mercer Family Eye Care) Eye Center of the Quad Cities</p> <p><u>Galesburg</u> Sears Optical Bard Optical Wal-Mart Vision Center #775</p>

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

RESOLUTION

SCOTT COUNTY BOARD OF SUPERVISORS

April 29, 2010

APPROVAL OF EIGHTEEN MONTH AGREEMENT WITH DELTA DENTAL FOR THIRD PARTY ADMINSTRATOR SERVICES

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the proposal from Delta Dental for eighteen months for third party administration services in lieu of a fully insured plan is hereby accepted and approved.

Section 2. That the Human Resources Director hereby authorized to sign the dental insurance contracts for services on behalf of the Board.

Section 3. This resolution shall take effect immediately.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

RESOLUTION

SCOTT COUNTY BOARD OF SUPERVISORS

April 29, 2010

APPROVAL OF THIRTY MONTH AGREEMENT WITH AVESIS FOR VISION COVERAGE

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the proposal from Avesis for thirty months for a fully funded vision plan is hereby accepted and approved.

Section 2. That the Human Resources Director hereby authorized to sign the vision insurance contracts for services on behalf of the Board.

Section 3. This resolution shall take effect immediately.