

HUMAN RESOURCES DEPARTMENT
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Date: October 11, 2011

To: Dee Bruemmer, County Administrator

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

Subject: Insurance Recommendations

Health/Pharmaceutical

In January, 2010 the County decided to become self funded for our Health and Pharmaceutical coverage. We entered into a third party administration contract with United Health Care of the River Valley with a cap of 5% increase in the third year. Our consultant, Jeff Scarpinato of Holmes Murphy was able to obtain a renewal with UHCRV of 0%.

As part of our coverage with UHCRV we annually renew our Specific Stop Loss and Aggregate Stop Loss coverage. Jeff Scarpinato was able to negotiate three options; the first leaves our specific stop loss at \$130,000 and results in no increase in premiums. The other two increase the stop loss coverage, i.e. risk, to the County and thus reduce the premium costs. An increase to \$140,000 would result in a premium decrease of \$30,228. An increase to \$150,000 would result in a premium decrease of \$43,866. We are recommending no changes in the stop loss coverage.

Dental

In July, 2010 we became self funded for our employee dental coverage. We entered into an 18 month third party administrative services agreement with Delta Dental. With the assistance of Holmes Murphy we have met with our representative from Delta Dental to discuss our renewal. There is a 3% increase in administrative costs. Additionally we are recommending that we pilot for one year a wellness program provided by Delta Dental called Enhanced Benefits. The program looks at the links of specific medical conditions and dental benefits. Scientific evidence is finding more links to medical conditions and dental disease. The belief is that if additional dental cleanings are permitted for these medical conditions there is an overall improvement in the individual's medical conditions. The anticipated cost to the County of implementing this program is \$4,232. The intent is not include this in the dental rates for employees, but to merely pilot it as

a wellness program for one year to evaluate the utilization and potential impact on long term health savings.

Health Care Rates

The County has reviewed our health care rates with our actuarial, Silverstone Group and have recommended no changes to the employee premium rates for CY12. This means that the decision to go self funded will result in **no premium increases for 42 months, i.e. since July 1, 2009**. The recommended rates have no overall increase, but will shift the amounts in the specific lines as a result of the new formula negotiated with employees as it relates to cost sharing of insurance rates.

Cc: Sarah Kautz, Budget Manager
Jeff Scarpinato, Holmes Murphy
Cheri Sexton, Benefits Coordinator

Your dental plan includes Delta Dental of Iowa's Enhanced Benefits Program that links medical conditions and dental benefits. This benefit offers additional oral health services to subscribers with the following conditions:

- **Pregnancy** – Scientific evidence suggests that there may be an association between women with periodontal (gum) disease and low birth weight in premature babies. With the Enhanced Benefits Program, Delta Dental covers one additional cleaning during pregnancy.
- **Diabetes** – When diabetes is poorly controlled, diabetic patients who receive more professional teeth cleanings may have better controlled glucose levels. With the Enhanced Benefits Program, Delta Dental covers up to four cleanings per benefit year.
- **Periodontal (Gum) Disease** – This condition may lead to tooth loss and tooth replacement costs that are much greater than preventative measures such as additional cleanings. With the Enhanced Benefits Program, Delta Dental covers up to four cleanings per benefit year and a fluoride application with no age limitation if group coverage includes a fluoride benefit.
- **High-Risk Cardiac Conditions** – A recent guideline released by the American Heart Association indicates that the presence of dental disease may increase the level of bacteria in the bloodstream and predispose at-risk patients to acquiring infective endocarditis or producing adverse outcomes associated with the disease. With the Enhanced Benefits Program, Delta Dental covers up to four cleanings per benefit year.
- **Suppressed Immune Systems** – With extra cleanings, patients that are HIV positive or have organ failure may reduce the build up of bacteria in the mouth that may enter the bloodstream, create infection and further compromise their health. With the Enhanced Benefits Program, Delta Dental covers up to four cleanings per benefit year and a fluoride application with no age limitation if group coverage includes a fluoride benefit.
- **Kidney Failure or Dialysis** – Dental infections increase the risk of systemic infection and may be harmful to general kidney functions in people with kidney disease. With the Enhanced Benefits Program, Delta Dental covers up to four cleanings per benefit year.
- **Cancer, Chemotherapy and/or Radiation** – These therapies may increase the risk for gum infection and cavities because of weakened immune systems. With the Enhanced Benefits Program, Delta Dental covers up to four cleanings per benefit year and a fluoride application with no age limitation if group coverage includes a fluoride benefit.

How to Sign Up for the Enhanced Benefits Program

If you have any of the above conditions you can enroll in the Enhanced Benefits Program by doing one of the following:

1. Go to the Subscriber Connection at www.deltadentalia.com and select Enhanced Benefits History.
2. Ask your dentist to notify Delta Dental of your condition(s).
3. Call Delta Dental's Customer Service at 1-800-544-0718, Monday – Friday, 7:30 a.m. – 5:00 p.m.

For more information on the connection between medical conditions and dental benefits, go to www.deltadentalia.com/subscriber and click on Oral Health.

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

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

October 13, 2011

APPROVAL OF FAMILY HEALTH CARE PREMIUM RATES FOR SCOTT COUNTY
EMPLOYEES IN CALENDAR YEAR 2012

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

Section 1. The following schedule of family health care premium rates for Scott County employees in calendar year 2012 is hereby approved:

United Healthcare Heritage Select	\$152.81 / mo
Delta Dental	\$ 11.41 / mo
Avesis Vision	\$ 1.44 / mo

Section 2. This resolution shall take effect on January 1, 2012.