

## MEMORANDUM

To: Steve Ehlmann, County Executive

Cc: Joann Leykam, Dir. of Administration  
Bob Schnur, Asst. Dir. of Administration  
Tracy Bayne, Acting Director of Finance

From: Ed Noonan, Risk Manager

September 20, 2022

Re: Proposal for Employee Dental Coverage

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Four companies responded to the RFP for the County's self-insured dental program to be effective January 1, 2023. Each of the carriers offered basically the same plan design as we currently have with Delta. Highlights of their responses are as follows:

**Delta Dental**, the current Provider, represents the most advantageous program in terms of their Provider network, funding arrangement and access to a dentist. They have the largest dental network in the greater St. Louis geographic area with approximately 2,000 or 97% of all dentists participating in their network. Over 98% of our membership has access to at least two Providers within a ten-mile radius. The late entrant fee requirement (employees not enrolling within the first 31 days of eligibility) has been waived. Administrative charges guaranteed for 3 years would be \$4.69/month per employee, an increase of \$.09 over the expiring plan which has been in effect since 2018.

**Liberty Dental** is a dental benefits corporation not an insurance company that maintains a nationwide contracted provider network of independent dental professionals. There is no Provider Network although they claim to match our current plan design. Their initial rate guarantee is \$4.46 for the first two years with the following two years not to exceed a 6% increase (\$4.73). They offered two different banking arrangements, one of which would have the County responsible for issuing the 1099 forms each year while the alternative would be a Liberty fiduciary account requiring a retainer.

**Aetna's** Provider Network (176 doctors in this area) is not competitive with our current Provider. They are offering a guaranteed monthly Admin fee of \$2.61 for a three-year contract period. They will offer a \$.50 per employee per month credit off our monthly medical admin fee if awarded health and dental benefits which would amount to approximately \$6,500 annually. Certain services are covered on a calendar year basis versus a rolling 12/24-month time frame. There is a late entrant penalty for not enrolling within the first 31 days of eligibility.

**United Concordia:** The quoted \$2.50 monthly admin charge is deceiving as they have a network access fee of 12% charged to their participating dentists based on the difference between the covered service cost and the allowed benefit amount. They require a pre-funding based on our projected claims or a weekly client initiated ACH. Rather than a one-year contract with renewal options they offered a 3-year proposal along with a proposed \$11,000 one-time implementation credit paid in increments at the

beginning of each contract year assuming we maintain the same funding mechanism throughout the contract. Their response only stated they had some 127,00 participating Providers nationwide. They do not issue ID cards, but rather a letter with the Member's ID number and plan information.

**Recommendation:** Delta (and their predecessor company) who have been the County's dental provider for the past several years with no problems or concerns regarding their Member service, accessibility to dentists and claims adjudication processes is best positioned to continue providing dental services to our employees. Based on the above, neither Liberty Dental nor Aetna compare overall to our current program. United Concordia's monthly fee looks somewhat attractive until the network fee is factored in along with their funding arrangement.

If you are in agreement, please sign and pass along to the Council for inclusion on the next Consent Agenda.

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Steve Ehlmann