

Before the Board of Supervisors in and for the County of Monterey, State of California

Agreement No. A-12022

- a. Approve and authorize the Contracts and Purchasing Officer to sign an Agreement with Pacific Health Alliance (PHA) for Third Party Administrator (TPA) Services for the County's self insured Dental Program per Request for Proposal (RFP) #10254, with the initial Agreement term beginning July 1, 2011 through December 31, 2015, including the option to extend the Agreement for up to three (3) additional one (1) year periods; and
- b. Authorize the Contracts and Purchasing Officer to sign future Amendments to the Agreement where the Amendments do not significantly change the scope of work or cause an increase in the Agreement rates of more than ten percent (10%).....

Upon motion of Supervisor Salinas, seconded by Supervisor Calcagno, and carried by those members present, the Board hereby;

- a. Approved and authorized the Contracts and Purchasing Officer to sign an Agreement with Pacific Health Alliance (PHA) for Third Party Administrator (TPA) Services for the County's self insured Dental Program per Request for Proposal (RFP) #10254, with the initial Agreement term beginning July 1, 2011 through December 31, 2015, including the option to extend the Agreement for up to three (3) additional one (1) year periods; and
- b. Authorized the Contracts and Purchasing Officer to sign future Amendments to the Agreement where the Amendments do not significantly change the scope of work or cause an increase in the Agreement rates of more than ten percent (10%).

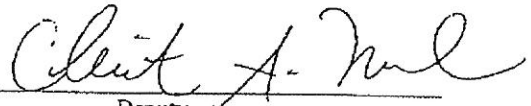
PASSED AND ADOPTED on this 28<sup>th</sup> day of June, 2011, by the following vote, to wit:

AYES: Supervisors Calcagno, Salinas, and Parker  
 NOES: None  
 ABSENT: Supervisors Armenta and Potter

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 75 for the meeting on June 28, 2011.

Dated: July 6, 2011

Gail T. Borkowski, Clerk of the Board of Supervisors County of Monterey, State of California

By   
 Deputy

MONTEREY COUNTY BOARD OF SUPERVISORS

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| MEETING: June 28, 2011 - Consent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | AGENDA NO.: 91 |
| SUBJECT: a. Approve and Authorize the Contracts and Purchasing Officer to sign an Agreement with Pacific Health Alliance (PHA), for Third Party Administrator (TPA) Services for the County's self-insured Dental Program per Request for Proposal (RFP) #10254, with the initial Agreement term beginning July 1, 2011 through December 31, 2015, including the option to extend the Agreement for up to three (3) additional one (1) year periods; and<br>b. Authorize the Contracts and Purchasing Officer to sign future Amendments to the Agreement where the Amendments do not significantly change the scope of work or cause an increase in the Agreement rates of more than ten percent (10%) |                |
| DEPARTMENT: County Administrative Office                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                |

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Approve and Authorize the Contracts and Purchasing Officer to sign an Agreement with Pacific Health Alliance (PHA), for Third Party Administrator (TPA) Services for the County's self-insured Dental Program per Request for Proposal (RFP) #10254, with the initial Agreement term beginning July 1, 2011 through December 31, 2015, including the option to extend the Agreement for up to three (3) additional one (1) year periods (see attachment A); and
- b. Authorize the Contracts and Purchasing Officer to sign future Amendments to the Agreement where the Amendments do not significantly change the scope of work or cause an increase in the Agreement rates of more than ten percent (10%)

SUMMARY/DISCUSSION:

Approval of the recommended actions will enable the County Administrative Office to procure TPA Services for the County's self insured Dental Program, (available to all County employees) as well as enrollment services for Consolidated Omnibus Budget Reconciliation Act (COBRA) participants. At the current rate of participation, the monthly fee for all enrolled participants will be \$14,055 per month or approximately \$170,000 per year. Current enrollment is 4,291 employees, 51 COBRA participants and 117 retirees.

The TPA fees for the dental program are part of the costs used by the Benefits Actuary to determine the monthly rate that should be charged for this program. The costs for the dental program are paid by departments (for employee only coverage), and employees (for dependent coverage). Retirees and COBRA participants pay 100% of the premiums.

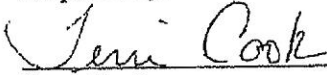
OTHER AGENCY INVOLVEMENT:

Contracts/Purchasing, County Counsel and the Auditor's Office were involved in the RFP process and have reviewed and approved the contract which was submitted to the vendor for signature.

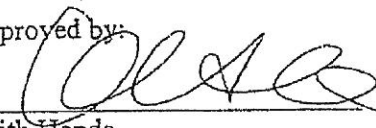
**FINANCING:**

The costs associated with this action are included in the Benefits Internal Service Fund (specifically in the Dental Unit).

Prepared by:

  
\_\_\_\_\_  
Terri Cook  
Management Analyst III

Approved by:

  
\_\_\_\_\_  
Keith Honda  
Asst. County Administrative Officer  
Human Resources

Date: June 15, 2011

| Mo           | Yr                            |
|--------------|-------------------------------|
| \$ 14,055.00 | \$ 168,660.00 7/1/11-6/30/12  |
|              | \$ 168,660.00 7/1/12-6/30/13  |
|              | \$ 168,660.00 7/1/13-6/30/14  |
|              | \$ 168,660.00 7/1/14-6/30/15  |
|              | \$ 337,320.00 7/1/15-12/31/15 |
|              | \$ 1,011,960.00               |

*Before the Board of Supervisors in and for the  
County of Monterey, State of California*

- a. Approve and authorize the Contracts and Purchasing Officer to sign an Agreement with Pacific Health Alliance (PHA) for Third Party Administrator (TPA) Services for the County's self insured Dental Program per Request for Proposal (RFP) #10254, with the initial Agreement term beginning July 1, 2011 through December 31, 2015, including the option to extend the Agreement for up to three (3) additional one (1) year periods; and
- b. Authorize the Contracts and Purchasing Officer to sign future Amendments to the Agreement where the Amendments do not significantly change the scope of work or cause an increase in the Agreement rates of more than ten percent (10%)

Upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, and carried by those members present, the Board hereby:

- a. Approve and authorize the Contracts and Purchasing Officer to sign an Agreement with Pacific Health Alliance (PHA) for Third Party Administrator (TPA) Services for the County's self insured Dental Program per Request for Proposal (RFP) #10254, with the initial Agreement term beginning July 1, 2011 through December 31, 2015, including the option to extend the Agreement for up to three (3) additional one (1) year periods; and
- b. Authorize the Contracts and Purchasing Officer to sign future Amendments to the Agreement where the Amendments do not significantly change the scope of work or cause an increase in the Agreement rates of more than ten percent (10%)

PASSED AND ADOPTED on this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by the following vote, to-wit:

AYES:

Supervisors

NOES:

ABSENT:

I, Gail T. Borkowski, Interim Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof at page \_\_\_\_ of Minute Book \_\_\_\_\_, on \_\_\_\_\_

Dated:

Gail T. Borkowski, Interim Clerk of the Board of Supervisors, County of Monterey,  
State of California

By \_\_\_\_\_

Deputy

## AGREEMENT TO PROVIDE DENTAL BENEFITS FOR THE COUNTY OF MONTEREY

This AGREEMENT is made and entered into by and between the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County", and Pacific Health Alliance (PHA), hereinafter referred to as "CONTRACTOR."

### RECITALS

- A. WHEREAS, County has invited proposals through the Request for Proposals (RFP # 10254) for Employee Dental Benefits, in accordance with the specifications set forth in this AGREEMENT; and
- B. WHEREAS, CONTRACTOR has submitted a responsive and responsible proposal to perform such services; and
- C. WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested.

NOW THEREFORE, County and CONTRACTOR, for the consideration hereinafter named, agree as follows:

### 1.0 PERFORMANCE OF THE AGREEMENT

- 1.1 After consideration and evaluation of the CONTRACTOR'S proposal, the County hereby engages CONTRACTOR to provide the services set forth in RFP #10254 and in this AGREEMENT on the terms and conditions contained herein and in RFP #10254. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. The component parts of this AGREEMENT include the following:

RFP # 10254 dated September 23, 2010

Addenda #1 - #4

CONTRACTOR'S Proposal dated October 13, 2020, including all attachments and exhibits, to RFP # 10254

AGREEMENT

Certificate of Insurance

Additional Insured Endorsements

- 1.2 All of the above-referenced contract documents are intended to be complementary. Work required by one of the above-referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the following order: AGREEMENT, General Requirements and General Provisions, CONTRACTOR'S

Proposal (with all attachments and exhibits), RFP #10254, Addenda #1 - #4, Certificate of Insurance, and Additional Insured Endorsements.

- 1.3 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this AGREEMENT are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this AGREEMENT and are not employees of the County, or immediate family of an employee of the County.
- 1.4 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this AGREEMENT that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

## 2.0 SCOPE OF SERVICE

- 2.1 CONTRACTOR shall administer a self-funded dental benefit plan for eligible County employees.
- 2.2 CONTRACTOR shall maintain a preferred provider network for use by the County plan.
  - 2.2.1 CONTRACTOR shall be responsible for maintaining agreements with preferred providers to include providing Contracting Providers with instructions regarding their compliance with administrative, billing, and accounting procedures required by County.
  - 2.2.2 CONTRACTOR shall be responsible for recruitment of new Contracting Providers used by enrollees to establish contractual relationships to include determination that provider meets established standards.
  - 2.2.3 CONTRACTOR shall make provider directory available to enrollees.
- 2.3 CONTRACTOR shall establish Provider Reimbursement Rates for Contracting Providers and Non-Providers.
  - 2.3.1 CONTRACTOR shall be responsible for establishing the Uniform, Customary and Reasonable (UCR) fees to be utilized in setting reimbursement rates.
  - 2.3.2 CONTRACTOR shall utilize local data (County of Monterey) for establishing UCR fees. UCR fees will be subject to annual review and possible adjustment. Negotiations with providers to increase the UCR will not result in rates that exceed the Bay Area CPI.
- 2.4 CONTRACTOR shall provide up to four (4) informational seminars per year as requested by County staff on topics related to dental benefits.
- 2.5 CONTRACTOR shall be responsible for receipt of and processing of claims in accordance with benefits summary in Exhibit A.

- 2.5.1 CONTRACTOR shall employ qualified personnel to ensure accurate processing of claims.
  - 2.5.2 CONTRACTOR shall be responsible for determining appropriate Coordination of Benefits of enrollees prior to claim determination.
  - 2.5.3 CONTRACTOR shall be responsible for determination of accuracy of claim information and eligible amounts payable.
  - 2.5.4 CONTRACTOR shall be responsible for denial of inappropriate or incorrect claims.
- 2.6 CONTRACTOR shall provide customer support services to enrollees to include coverage information, provider directory information, claims status, and support related to denied claims.
- 2.6.1 CONTRACTOR shall support an appeal process for enrollee dispute of claims payment or coverage determination and participate, at no additional cost, in any dispute between County and enrollees related to any benefit review determination made by CONTRACTOR.
- 2.7 County shall maintain an account to facilitate self-funding of claims processed by CONTRACTOR. Requests for funding of processed claims should be submitted by CONTRACTOR to County designees to include a list of checks processed and the associated claim information. County shall be responsible for reviewing the request for funding and, if appropriate, funding the account sufficiently to satisfy the request.
- 2.7.1 County is responsible for notifying CONTRACTOR immediately of any dispute with or questions arising from request for funding.
  - 2.7.2 Parties agree to modify funding process to a ZBA (zero balance account) at such time that County can make appropriate arrangements.
- 2.8 County agrees to abide by all terms of Participating Provider agreements entered into with Contracting Providers.
- 2.9 County shall determine eligibility to enroll status of employees and obtain all pertinent information from employee required for enrollment. County shall provide to CONTRACTOR all information necessary to complete enrollment status.
- 2.9.1 County shall determine eligibility status for retirees. CONTRACTOR shall administer benefits for eligible retirees as part of this Agreement.
- 2.10 CONTRACTOR shall provide to County customized and routine reports as requested at no additional cost to County.
- 2.11 CONTRACTOR shall be responsible for monthly bank statement reconciliations. Copies of the reconciliation report and bank statement shall be submitted to the County on a monthly basis.
- 2.11.1 Monthly reconciliation report and bank statement copies shall be provided to the County within thirty (30) days after the statement end date.



2.11.2 Parties may agree to discontinue monthly reconciliation report and bank statement submission at such time as a ZBA is established for self-funding of claims.

2.12 Pursuant to California Health and Safety Code Section 1366.25, the following section is hereby incorporated into the Group Dental Care Plan, if, and only to the extent Cal-COBRA applies to the parties of this Plan.

2.13 The California Continuation Benefits Replacement Act of 1997 (Cal-COBRA) requires health care service plans providing contracted coverage to employers with 2 to 19 eligible employees to offer continuation coverage for purchase by qualified beneficiaries upon the occurrence of a qualifying event. CONTRACTOR and County are subject to the following obligations in connection with continuation of coverage:

1. County agrees to provide CONTRACTOR with notice of any employee who has had a qualifying event, within thirty-one (31) days of the qualifying event. A qualifying event means any of the following events that, but for the election of continuation of coverage provided hereunder, would result in a loss of coverage under the group benefit plan to a qualified beneficiary:

- The death of the covered employee.
- The termination or reduction of hours of the covered employee's employment, except that termination for gross misconduct does not constitute a qualifying event.
- The divorce or legal separation of the covered employee from the covered employee's spouse.
- The loss of dependent status by a dependent enrolled in the group benefit plan.
- With respect to dependent only, the covered employee's eligibility for coverage under Title XVIII of the United States Social Security Act (Medicare).

Within fourteen (14) days of receipt of the foregoing notice of a qualifying event from County, CONTRACTOR will send to the qualified beneficiary's last known address, as provided by the County, the necessary benefits information, premium information, enrollment forms, and instructions to allow the qualified beneficiary to formally elect continuation coverage.

2. County agrees to notify qualified beneficiaries currently receiving continuation coverage, whose continuation coverage will terminate under one group benefit plan prior to the end of the period the qualified beneficiary would have remained covered under Cal-COBRA, as specified in Health and Safety Code Section 1366.27, a minimum of thirty (30) days prior to the termination, of the qualified beneficiary's ability to continue coverage under a new group benefit plan for the balance of the period the qualified beneficiary would have remained covered under the prior group benefit plan. County agrees to provide qualified beneficiaries subject to this paragraph with the necessary benefits information, premium information, enrollment forms, and instructions to allow the qualified beneficiary to continue coverage. This information shall be sent to the qualified beneficiary's last known address, as provided by the plan currently providing continuation coverage to the qualified beneficiary.

### 3.0 TERM OF AGREEMENT

- 3.1 The initial term shall commence with the signing of the AGREEMENT through and including December 31, 2015, with the option to extend the AGREEMENT for three (3) additional one (1) year periods. County is not required to state a reason if it elects not to renew this AGREEMENT.
- 3.2 If County exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any changes in rate and/or terms and conditions.
- 3.3 County reserves the right to cancel the AGREEMENT, or any extension of the AGREEMENT, without cause, with a thirty (30) day written notice, or immediately with cause.

### 4.0 COMPENSATION AND PAYMENTS

- 4.1 It is mutually understood and agreed by both parties that CONTRACTOR shall be compensated under this AGREEMENT in accordance with the pricing sheet under Exhibit B.
- 4.2 Prices shall remain firm for the initial term of this AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. County does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.
- 4.3 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of this AGREEMENT or renewal thereof.
- 4.4 Any discount offered by the CONTRACTOR must allow for payment after receipt and acceptance of services, material or equipment and correct invoice, whichever is later. In no case will a discount be considered that requires payment in less than 30 days.
- 4.5 CONTRACTOR shall levy no additional fees nor surcharges of any kind during the term of this AGREEMENT without first obtaining approval from County in writing.
- 4.6 Tax:
  - 4.6.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.
  - 4.6.2 County is registered with the Internal Revenue Service, San Francisco office, registration number 94-6000524. The County is exempt from Federal Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

### 5.0 INVOICES AND PURCHASE ORDERS

- 5.1 Invoice amounts shall be billed directly to the County of Monterey, Attention: County Auditor-Controller.
- 5.2 CONTRACTOR shall reference the RFP #10254 on all invoices submitted to County. CONTRACTOR shall submit such invoices periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. County shall certify the invoice, either in the requested amount or in such other amount as County approves in conformity with this AGREEMENT, and shall promptly submit such invoice to County Auditor-Controller for payment. County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 5.3 All County of Monterey Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).
- 5.4 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by County. Surcharges and additional fees not included the AGREEMENT must be approved by County in writing via an Amendment.

## 6.0 INDEMNIFICATION

CONTRACTOR shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

## 7.0 INSURANCE REQUIREMENTS

### 7.1 Evidence of Coverage:

- 7.1.1 Prior to commencement of this AGREEMENT, CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition CONTRACTOR upon request shall provide a certified copy of the policy or policies.
- 7.1.2 This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has obtained all insurance required and such, insurance has been approved by County. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.
- 7.1.3 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by County's Purchasing Officer.

### 7.2 Insurance Coverage Requirements:

- 7.2.1 Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:
- 7.2.1.1 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
- 7.2.2 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
- 7.2.3 Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less

than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

- 7.2.4 Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this AGREEMENT.

7.3 Other Insurance Requirements:

- 7.3.1 All insurance required by this AGREEMENT shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.
- 7.3.2 Each liability policy shall provide that County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.
- 7.3.3 Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

- 7.3.4 Prior to the execution of this AGREEMENT by County, CONTRACTOR shall file certificates of insurance with County's contract administrator and County's Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by this AGREEMENT. CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.
- 7.3.5 CONTRACTOR shall at all times during the term of this AGREEMENT maintain in force the insurance coverage required under this AGREEMENT and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles County, at its sole discretion, to terminate this AGREEMENT immediately.

## 8.0 RECORDS AND CONFIDENTIALITY

- 8.1 Confidentiality: CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this AGREEMENT, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this AGREEMENT except for the sole purpose of carrying out CONTRACTOR's obligations under this AGREEMENT.
- 8.2 County Records: When this AGREEMENT expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this AGREEMENT.
- 8.3 Maintenance of Records: CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this AGREEMENT.

- 8.4 Access to and Audit of Records: County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. Pursuant to Government Code section 8546.7, if this AGREEMENT involves the expenditure of public funds in excess of \$10,000, the parties to this AGREEMENT may be subject, at the request of County or as part of any audit of County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this AGREEMENT for a period of three years after final payment under the AGREEMENT.

## 9.0 NON-DISCRIMINATION

- 9.1 During the performance of this contract, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code, §12900, et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285.0, et seq.).
- 9.2 The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12900, et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.
- 9.3 CONTRACTOR shall include the non-discrimination and compliance provisions of the clause in all AGREEMENTs with subcontractors to perform work under the contract.

## 10.0 RELATIONSHIP OF PARTIES

- 10.1 Independent Contractor: CONTRACTOR shall be an independent contractor and shall not be an employee of Monterey County, nor immediate family of an employee of County. CONTRACTOR shall be responsible for all insurance (General Liability, Automobile, Workers' Compensation, unemployment, etc.) and all payroll-related taxes. CONTRACTOR shall not be entitled to any employee benefits.

## 11.0 CONFLICT OF INTEREST

CONTRACTOR covenants that CONTRACTOR, its responsible officers, and its employees having major responsibilities for the performance of work under the AGREEMENT, presently have no interest and during the term of this AGREEMENT will not acquire any interests, direct or indirect, which might conflict in any manner or degree with the performance of CONTRACTOR'S services under this AGREEMENT.

## 12.0 COMPLIANCE WITH APPLICABLE LAWS

- 12.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws, that may affect in any manner the Services or the performance of the Services or those engaged to perform Services under this AGREEMENT. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.
- 12.2 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.
- 12.3 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines that are in force at the time such documentation is prepared.



**13.0 LEGAL DISPUTES**

13.1 CONTRACTOR agrees that this AGREEMENT, and any dispute arising from the relationship between the parties to this AGREEMENT, shall be governed and interpreted by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.

13.2 Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.

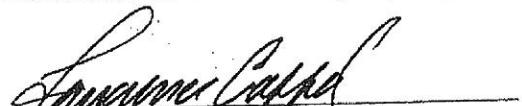
13.3 CONTRACTOR shall continue to perform under this AGREEMENT during any dispute.

  
\_\_\_\_\_  
COUNTY Signature

Michael R. Derr  
Printed Name

CONTRACTS/PURCHASING OFFICER  
COUNTY OF MONTEREY  
\_\_\_\_\_  
Title

7-25-11  
Date

  
\_\_\_\_\_  
CONTRACTOR Signature

LAWRENCE CAPAGI  
Printed Name

CEO  
Title

6-1-11  
Date

**14.0 INFORMATION PORTABILITY AND ACCOUNTABILITY ACT  
HIPAA COMPLIANCE**

CONTRACTOR agrees to operate its business in a manner as necessary to permit County to comply with its obligations under the Health Insurance Portability and Accountability Act of 1996, Subtitle F, Public Law 104-191, relating to the privacy and security of confidential health information, and any final regulations or rules promulgated by the U.S. Department of Health and Human Services thereunder (collectively, the "HIPAA Standards").

## 15.0 NOTICES

- 15.1 Non-Assignment: CONTRACTOR shall not assign this contract or the work required herein without the prior written consent of County.
- 15.2 Notices required to be given to the respective parties under this AGREEMENT shall be deemed given by any of the following means: (1) when personally delivered to County's contract administrator or to CONTRACTOR'S responsible officer; (2) when personally delivered to the party's principle place of business during normal business hours, by leaving notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by FAX machine to the other party, at the party's FAX number specified pursuant to this AGREEMENT, provided that the party giving notice by FAX must promptly confirm receipt of the FAX by telephone to the receiving party's office; or, (4) three (3) days after the notice is deposited in the U. S. mail with first class or better postage fully prepaid, addressed to the party as indicated below.

Notices mailed or faxed to the parties shall be addressed as follows:

**TO COUNTY:**

**Mike Derr**, Contracts/Purchasing Officer  
County of Monterey, Contracts/Purchasing  
168 W. Alisal Street, 3rd Floor.  
Salinas, CA 93901-2439  
Tel. No.: (831) 755-4990  
FAX No.: (831) 755-4969  
Email: [DerrM@co.monterey.ca.us](mailto:DerrM@co.monterey.ca.us)

**TO CONTRACTOR:**

**Robert O. Mackler**, Executive Vice President  
Pacific Health Alliance, Inc.  
1350 Old Bayshore Highway, Ste. 560  
Burlingame, CA 94010  
Tel. No.: (800) 533-4702  
FAX No.: (800) 801-1200  
Email: [rmackler@pacifichealthalliance.com](mailto:rmackler@pacifichealthalliance.com)

AND

**TO COUNTY:**

**Keith Honda**, Contract Administrator /  
Asst. County Administrative Officer  
County of Monterey, Human Resources  
168 W. Alisal Street, 3rd Floor.  
Salinas, CA 93901-2439  
Tel. No.: (831) 755-5295  
FAX No.: (831) 751-9597  
Email: [Hondak@co.monterey.ca.us](mailto:Hondak@co.monterey.ca.us)

IN WITNESS WHEREOF, the County and CONTRACTOR execute this AGREEMENT as follows:

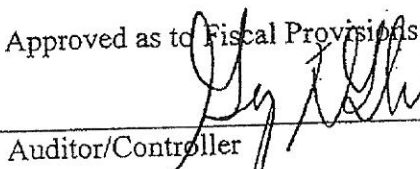
MONTEREY COUNTY



Contracts/Purchasing Officer

Dated: 7-25-11

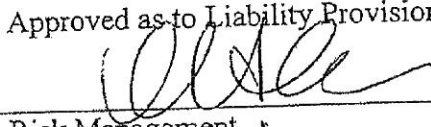
Approved as to Fiscal Provisions:



Auditor/Controller

Dated: 6-20-11

Approved as to Liability Provisions:



Risk Management

Dated: 6/20/11

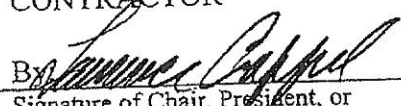
Approved as to Form:



Assistant County Counsel Deputy

Dated: 6-20-11

CONTRACTOR

By   
Signature of Chair, President, or  
Vice-President

Lawrence Carmel CEO  
Printed Name and Title

Dated: 9-1-11

By: Alison Miller, CFO  
(Signature of Secretary, Asst. Secretary, CFO,  
Treasurer or Asst. Treasurer)\*

Alison Miller, CFO  
Printed Name and Title

Dated: 6/1/2011

**EXHIBIT A – BENEFITS SUMMARY**

**DENTAL PREFERRED PROVIDER ORGANIZATION (PPO)  
PLAN DESIGN, ADMINISTRATION, AND PREMIUM COSTS – SELF FUNDED**

| Usual, Customary and Reasonable Fee Basis        | Current In-Network             | Proposed In-Network                                                      | Current Out-of-Network          | Proposed Out-of-Network                                                  |
|--------------------------------------------------|--------------------------------|--------------------------------------------------------------------------|---------------------------------|--------------------------------------------------------------------------|
| A. Co-payment – Diagnostic & Preventive          | 100%<br>(Deductible Waived)    | 100%<br>(Deductible Waived)                                              | 100%<br>(Deductible Waived)     | 100 %<br>(Deductible Waived)                                             |
| Other Basic:                                     | 80/20                          | 80/20                                                                    | 80/20                           | 80/20                                                                    |
| Prosthodontics:                                  | 50/50                          | 50/50                                                                    | 50/50                           | 50/50                                                                    |
| Crowns & Cast Restorations                       | 50/50                          | 50/50                                                                    | 50/50                           | 50/50                                                                    |
| Orthodontics                                     | Not Covered                    | Not Covered                                                              | Not Covered                     | Not Covered                                                              |
| B. Maximum per patient, per calendar year        | \$1,000                        | \$1,000                                                                  | \$1,000                         | \$1,000                                                                  |
| C. Lifetime maximum per patient for Orthodontics | Not Covered                    | Not Covered                                                              | Not Covered                     | Not Covered                                                              |
| D. Aggregate Stop Loss @ 120% of expected claims | No Stoploss currently in place | No Stoploss currently in place. Ability to offer exists through SunLife. | No Stoploss currently in place. | No Stoploss currently in place. Ability to offer exists through SunLife. |
| E. Other: (detail)                               |                                |                                                                          |                                 |                                                                          |
| F. Plan Deductible                               | \$50/\$100                     |                                                                          | \$50/\$100                      |                                                                          |

**COVERED EXPENSES**

Subject to the Alternate Benefits section set forth above, Covered Expenses are USUAL OR PREVAILING CHARGES by a dentist for necessary care of the teeth, gums, mouth or supporting structures of the teeth furnished to a family member while covered under the Plan's Dental Care Coverage. There are three types of Covered Expenses: Preventive Dental Expenses, Basic Dental Expenses, and Major Dental Expenses. Not all expenses are covered. See-WHAT EXPENSES ARE NOT COVERED?

A Covered Expenses will be deemed incurred as follows:

1. For Full Dentures or Partial Dentures: on the date the final impression is taken.

2. For Fixed Bridges, Browns, Inlays, or Onlays; on the date the teeth are first prepared.
3. For Root Canal Therapy; on the date the pulp chamber is first opened.
4. For Periodontal Surgery; on the date the surgery is actually performed.
5. For All Other Services: on the date the service is performed.

A temporary dental service will be deemed an integral part of the final dental service rather than a separate service.

Preventive Dental Expenses are for the following services.

**ROUTINE ORAL EXAMS**—Charges for routine exams, including cleaning of teeth, but no more than two every calendar year.

**DIAGNOSTIC X-RAYS**—Charges for bitewing x-rays (but no more than four such x-rays, twice during any period of 12 consecutive months as part of routine oral exam), complete mouth survey or panoramic x-rays, (but no more than one during any period of 36 consecutive months) as part of a routine oral exam.

**SPACE MAINTAINERS**—Charges for space maintainers for missing primary teeth to a family member under age 16, but no more than one every calendar year.

**FLUORIDE TREATMENT**—Charges for topical application of sodium or stannous fluoride to a family member under age 18, but no more than one every calendar year.

**SEALANTS**—Charges for the application of sealants to a family member under age 15, but no more than once, per tooth, during any calendar year.

#### **BASIC DENTAL EXPENSES**

Basic Dental Expenses are for the following services:

**ORAL SURGERY**—Charges for surgery performed on the gums and teeth. This includes removal of impacted or erupted teeth and preparation of the gums for dentures.

**X-RAYS**—Charges for any dental x-ray not provided above in Preventive Dental Expenses when needed in connection with the diagnosis or treatment of a specific condition.

**EXTRACTIONS**—Charges made for extractions.

**ANESTHESIA**—Charges for anesthesia administered in connection with covered dental services.

**PERIODONTICS**—Charges for treatment of periodontal and other disease of the gums and tissues of the mouth. Charges for periodontal scaling and root planing are limited to no more than one time per quadrant of the mouth in any period of 12 consecutive months.

**ENDODONTICS**—Charges for root canal therapy.

**FILLINGS**—Charges for fillings, other than gold fillings.

**MEDICINE**—Charges for medicines and drugs administered by a dentist.

**PALLIATIVE TREATMENT**—Charges for palliative treatment (treatment to relieve pain) will be covered as a separate procedure only if no other service (except x-rays) is rendered during the visit.

**REPAIR WORK**—Charges for repair and recementing of crowns, inlays and fixed bridgework; or relining or rebasing of dentures more than six months after the installation of an initial or replacement denture, but no more than one relining or rebasing during any period of 24 consecutive months.

#### **MAJOR DENTAL EXPENSES**

Major Dental Expenses are for the following services:

**RESTORATIONS**—Charges for inlays, Onlays, crowns, and gold fillings.

**BRIDGES AND DENTURES**—Charges for initial installation of dentures or fixed bridgework or crowns if the existing denture, bridgework or crown was installed at least five years prior to its replacement and cannot be made serviceable or cannot be repaired. The replacement will not be covered if due to loss or theft.

Also, charges for replacement of existing dentures or fixed bridgework, or for the addition of teeth to existing dentures or fixed bridgework, if needed to replace at least one natural tooth extracted while the family member is covered under the Plan's Dental Care Coverage.

#### **EXPENSES NOT COVERED**

The following charges are not covered or are covered only to the extent stated.

**CHARGES FOR WHICH THE INSURED IS NOT RESPONSIBLE** – This Plan only considers reimbursement of charges that are the responsibility of the insured to pay.

Benefits will not be paid for charges the insured has no responsibility to pay. This may occur as a result of recovery from a third party, from a dentist not billing (waiving) deductibles and co-insurance requirements of the Plan, etc.

The Plan may require proof of payment for deductibles and co-insurance portions of the bill. Be sure to keep all cancelled checks or receipts of cash payments for at least one-year in the event the administrator requires verification. Benefits may be reduced for any payment made by the Plan for which the insured was not financially responsible.

**OCCUPATIONAL INJURY** - Charges due to an on the job injury. "On the job" means employment with any Employer or self-employment.

**OCCUPATIONAL SICKNESS** - Charges due to any sickness for which an insured person is entitled to benefits under a Worker's Compensation Act or similar act.

**GOVERNMENT SERVICES** - Charges for dental service furnished by or paid for by any government or government agency would not have been required to pay for the services in the absence of insurance for dental care.

COSMETIC DENTISTRY - Charges in connection with dental services primarily for the purpose of improving appearance. For example, the following are not covered:

- alteration or extraction and replacement of SOUND TEETH.
- any treatment of the teeth to remove or lessen discoloration except in connection with endodontic treatment;
- replacement of congenitally missing teeth; and
- all appliances and restorations for the purpose of splinting teeth, except A-splinting and provisional splinting in connection with periodontal treatment.

TREATMENT STARTED BEFORE COVERAGE BEGINS—Charges for the following are not covered:

- dentures, if the impression for the dentures was taken before the date the family member's Dental Care coverage began;
- crowns, inlays, bridges or gold restorations if preparation of the teeth was begun before the date the family member's Dental Care coverage began;
- root canal therapy if pulp cap was opened before the date the family member's Dental Care coverage began.

SERVICES BY A HOSPITAL—Charges for dental services furnished by a hospital.

EXPERIMENTAL PROCEDURES—Charges for procedures that do not have uniformed professional endorsement, or are experimental in nature. Charges for any related services furnished in connection with Experimental Procedures are also not covered.

FRACTURES—Charges for treatment of fractures or dislocation of jaw.

LOSS OR THEFT—Charges due to loss or theft of an appliance or prosthesis.

IMPLANTS—Charges for tooth implants are not covered.

ATHLETIC MOUTH GUARDS—Charges for athletic mouth guards are not covered.

APPLIANCES—Charges for veneers are not covered except for those procedures that are not done solely for cosmetic purposes.

TEMPOROMANDIBULAR JOINT SYNDROME—Charges for, in connection with, treatment of temporomandibular joint syndrome.

ORTHODONTIA—Charges for orthodontic treatment and appliances.

OTHER COVERED EXPENSES—Charges for any dental services that are not Covered Expenses under any part of this Plan.

**EXHIBIT B – COST SUMMARY**

THE COUNTY OF MONTEREY agrees to the terms set forth in this AGREEMENT to pay PACIFIC HEALTH ALLIANCE, the following fees payable monthly in advance by COUNTY:

DENTAL PLAN

Claims Administration

Effective June 1, 2011 - \$2.95 per reported enrolled employee (or retiree) per month

All printing and postage fees. Contractor will provide written documentation.

Dental Plan Network Access Fee - waived

PHA shall review and reprice dental claims for dental providers who are members of the PHA Preferred Dental Network. PHA shall not receive any additional compensation for savings generated through the Preferred Dental Network.

A report will be provided by Pacific Health Alliance to Monterey County by the 20<sup>th</sup> day of each month providing a summary of claims, savings and adjustments resulting from this program for the preceding month.

COBRA Administration

Monthly administrative fee of \$300 per month and \$9.00 per enrollee per month.

All printing and postage fees. Contractor will provide written documentation.



**Ayala, Jaime x4998**

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**From:** Cook, Terri  
**Sent:** Thursday, August 04, 2011 3:00 PM  
**To:** Ayala, Jaime x4998  
**Subject:** RE: Re Dental MYA

Yes. Thank you!!

Terri Cook  
Management Analyst  
Monterey County Human Resources  
168 W Alisal, 3rd Floor  
Salinas, CA 93901  
831/796-3529

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**From:** Ayala, Jaime x4998  
**Sent:** Thursday, August 04, 2011 2:59 PM  
**To:** Cook, Terri  
**Cc:** Derr, Mike x4992; Aldrich, Kristen x4995  
**Subject:** RE: Re Dental MYA

So just to clarify we are putting in on the agreement \$5,000,000 for Claims Processing and \$300,000 for Administration Services correct?

This would be for MYA 1050 \* 152 with Pacific Health Alliance, effective 07/1/11 thru 12/31/15

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**From:** Cook, Terri  
**Sent:** Thursday, August 04, 2011 2:56 PM  
**To:** Ayala, Jaime x4998  
**Subject:** Re Dental MYA

Jaime,

After the contract was approved by the BOS, I went to Mike and mentioned that I had never had a contract to pay from and didn't know how to do so. We both laughed.

Then I asked if I should put just the Admin fees on the PO and continue to pay the claims on a gax. He said no, he would prefer that the PO have 2 lines. One for claims and one for Admin Fees. This way we can track expenditures for both categories.

Terri Cook  
Management Analyst  
Monterey County Human Resources  
168 W Alisal, 3rd Floor  
Salinas, CA 93901  
831/796-3529