



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 24-449, Version: 1

Approve and authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to sign Amendment No. 1 to Agreement No. A-14565 between the County of Monterey and Pacific Health Alliance (PHA) for Third-Party Administration (TPA) of the Provider Network of the County's Self-Insured Dental Plan extending the term of the agreement through June 30, 2027, and changing the Scope of Services to remove the dental claims and COBRA administration services.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to sign Amendment No. 1 to Agreement No. A-14565 between the County of Monterey and Pacific Health Alliance (PHA) for Third-Party Administration (TPA) of the Provider Network of the County's Self-Insured Dental Plan extending the term of the agreement through June 30, 2027, and changing the Scope of Services to remove the dental claims and COBRA administration services.

SUMMARY:

On November 19, 2019, the Board of Supervisors approved Agreement No. A-14565 (Attachment A) between the County of Monterey and Pacific Health Alliance (PHA) for Third-Party Administration (TPA) of the County's Self-Insured Dental Plan with the initial agreement term beginning January 1, 2020, through December 31, 2024. The Contracts/Purchasing Officer was also authorized by the Board to sign future amendment options to the agreement where the amendments do not significantly change the Scope of Services. The proposed amendment significantly changes the Scope of Services provided by PHA; therefore, this matter is being brought before the Board of Supervisors for consideration.

The County currently contracts with PHA for overall Third-Party Administration service for the County's Self-Insured Dental Plan to include maintenance of a preferred provider network for use by the County's plan and negotiation of in-network provider reimbursement rates and establishment of reimbursement rates for non-preferred providers. Due to closure of a segment of their business, PHA will no longer provide dental claims administration and COBRA administration services effective July 1, 2024, however, it will continue to provide services for the maintenance and negotiation of the Pacific Health Alliance Dental Network. The dental claims administration and COBRA administration services will be provided by a different TPA effective July 1, 2024, under a separate agreement.

In order to ensure a seamless transition and minimize disruption of in-network provider services to County employees, the Human Resources Department recommends approval of Amendment No. 1 (Attachment B) to continue to use the Pacific Health Alliance Dental Network for the County's Self-Insured Dental Plan and lock in the rates listed on Exhibit B1 to Amendment No. 1 (Attachment B) for three years.

The network access fees for the dental plan are part of the costs used by the benefits actuary to establish the monthly premium rates that should be charged for the dental insurance each year. The dental insurance premiums are paid by departments for employee-only coverage and by employees for dependent coverage.

COBRA participants and eligible retirees enrolled in the plan pay 100 percent of the premiums.

Approval of the amendment will enable the County to continue to work with Pacific Health Alliance to provide a comprehensive dental provider network within the County of Monterey.

OTHER AGENCY INVOLVEMENT:

The offices of the County Counsel and Auditor-Controller have reviewed and approved the Amendment No. 1 as to form and legality and fiscal provisions, respectively.

FINANCING:

The costs associated with this action will be funded by the Benefits Internal Services Fund (specifically by the Dental Unit).

BOARD OF SUPERVISORS' STRATEGIC INITIATIVES:

The recommended action addresses the Board of Supervisors' Administration Strategic Initiative. The proposed action will provide for the continuation of a quality dental plan for County employees in support of the County's commitment to meeting the Board's initiative in attracting, recruiting, and retaining a diverse, talented workforce that supports the mission of Monterey County.

- ☐ Economic Development
- ☒ Administration
- ☐ Health & Human Services
- ☐ Infrastructure
- ☐ Public Safety

Prepared By: Melissa Zamora, Human Resources Program Manager

Approved By: Andreas Pyper, Director of Human Resources

Attachments:

Attachment A - Agreement No. A-14565 between County and PHA

Attachment B - Amendment No. 1 to Agreement No. A-14565