

2021 Delta Dental Benefit Enhancement and Retiree Rate Reduction

Budget and Finance Committee | September 30, 2020

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Background on Recommendations

Dental Plan Benefits & Rates for Active Employees & Retirees

- Health Service Board (HSB) annually presents health benefits and rates for active employees and retirees for Board of Supervisors (BOS) approval
- 2021 health benefits and rates were approved by the (BOS) 7/28/2020
- In recognition of lower utilization of dental services due to COVID-19 and a service issue, **Delta Dental** proposed to provide a benefit enhancement and a reduction in retiree rates. The HSB approved the proposal on 9/10/2020.

Benefit Enhancement to Delta Dental PPO for Active Employees and Retirees

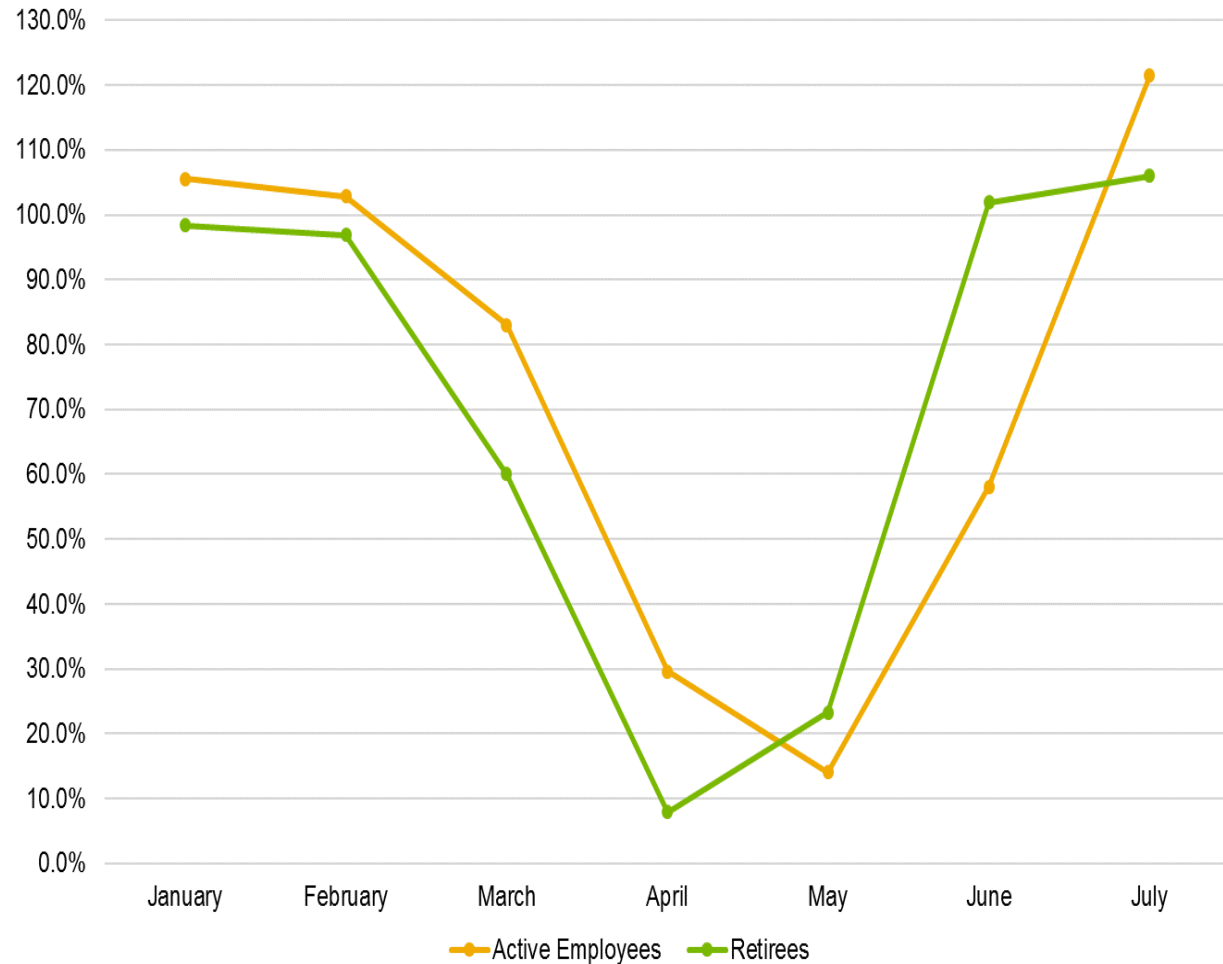
- SmileWay: members with one or more specific chronic illnesses (diabetes, heart disease, HIV/AIDS, rheumatoid arthritis, and stroke) receive additional services at no additional out of pocket cost.

Reduction Modifications to Delta Dental Retiree Rates for 2021 (given retirees pay 100% of Retiree Dental plan premiums)

- Retiree PPO and DeltaCare USA Dental HMO for Retirees

SFHSS Specific Data—Dental Claim Suppression (Comparison of Same Month Per Member Claims, 2020 vs. 2019)

- As shelter-in-place / stay-at-home orders played out starting mid-March in the Bay Area, SFHSS saw lower levels of claim activity in the March to June 2020 timeframe



SmileWay Benefit Enhancement Recommendation

Current: How enhanced benefits are handled currently within the SmileWay program for qualified PPO plan members

Recommendation: Changes the applicability of costs to the Calendar Year Maximum (CYM) starting January 1, 2021:

Description	Code	Frequency Limits	SmileWay – Current	SmileWay – 2021 Recommended
Teeth Cleaning	D1110 or D1120	Up to 4 per year	100% (does not apply to CYM)	100% (does not apply to CYM)
Periodontal maintenance	D4910		100% (applies to CYM)	100% (does not apply to CYM)
Periodontal scaling	D4341	1 per quadrant per year	100% (applies to CYM)	100% (does not apply to CYM)
Root planing	D4342		100% (applies to CYM)	100% (does not apply to CYM)

2021 Dental Plan Rating Renewal Summary — Revised

Below is a summary of rate changes from 2020 to 2021 approved by the HSB on June 11, 2020—and rate change approved by the HSB on September 10, 2020.

Yellow highlighted fields below are presented for retiree rate revision.

Dental Plan	Original 2021 Rate Change Action (June 11 HSB)	Updated 2021 Rate Change Action	* Enrolled Employee/ Retiree Members
Active Employee Delta Dental PPO	+0.6%	+0.6%	31,723
Active Employee DeltaCare USA HMO	-1.75%	-1.75%	761
Active Employee UHC Dental HMO	-3.0%	-3.0%	544
Retiree Employee Delta Dental PPO	-1.75%	-4.09%	21,388
Retiree Employee DeltaCare USA HMO	-1.75%	-5.85%	1,022
Retiree Employee UHC Dental HMO	-3.0%	-3.0%	800

* Enrollments as of May 2020

Summary of Recommendations

1) Active Employee Delta Dental PPO:

- Adds SmileWay benefit enhancements to become effective January 1, 2021
- No change to previously approved rates
- Delta Dental expects this to add 1.4% in claim costs in 2021 which would be captured in existing rate stabilization reserves

2) Retiree Delta Dental PPO:

- Add SmileWay benefit enhancements to become effective January 1, 2021
- Accept additional rate reductions for 2021—result is a 4.09% reduction in premium rates from 2020 to 2021

3) Retiree DeltaCare USA DHMO Plan:

- Accept additional rate reductions for 2021—result is a 5.85% reduction in premium rates from 2020 to 2021

Recommendation

Approve the proposed ordinance authorizing
the rate reduction of
2021 Delta Dental Retiree Rates and
Smileway Benefit enhancement