

Council Meeting of
September 25, 2012

Honorable Mayor and Members
Of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: City Manager – Approve Agreement and 2013 Rates for Group
Dental Insurance**

Expenditure: \$1,130,723 per year for dental insurance program

RECOMMENDATION

Recommendation of the City Manager that the City Council approve the selection of Delta Dental as the City of Torrance group dental insurance carrier and rates for 2013 at \$38.22 for single coverage; \$76.44 two-party and \$131.87 family coverage for the Dental Preferred Option (DPO) program; and \$17.47 for single coverage; \$31.54 two-party and \$46.64 family coverage for the Dental Health Maintenance (DHMO) beginning January 1, 2013 until December 31, 2014 for a total expenditure of \$1,130,723.

Funding

Funding is available in the 2012-2013 operating budget in each department.

BACKGROUND/ANALYSIS

Delta Dental has provided dental insurance services for City employees for several years. In 2011, the City Council approved the renewal of coverage with this carrier, and these insurance rates expire on December 31, 2012. Therefore, staff worked with Wells Fargo, the current insurance broker, to request quotes from other carriers prior to the expiration of the rates. The marketing process included fifteen carriers invited to quote. Four (4) of them quoted competitive rates, five (5) declined to quote, four (4) quoted but were not competitive, and two (2) did not respond to the request to quote (attachment A).

The four insurance companies that submitted competitive proposals are Anthem Blue Cross, Cigna, Guardian and Delta Dental, the current insurer. The rates and projected costs proposed by these carriers are shown in attachment B.

The proposals were considered in light of competitive rates and other relevant factors including schedule of benefits/services and provider network. Generally, the four insurers will match the benefits and services currently offered under the DPO plan (attachment C), and offer a schedule of services and co-payments comparable to the current the DHMO plan (attachment D). The recommendation for Delta Dental to provide group dental insurance coverage for employees in 2013 is based on the following factors:

- Competitive rates: Delta Dental proposed no increase (0%) in the premium rates until December 31, 2013 with the current schedule of benefits and co-payments (attachment E).
- Provider network: Delta Dental offers a larger network of providers as compared with Anthem Blue Cross, Cigna and Guardian. Attachments F and G shows an analysis of the top 25 and 28 dentists most frequently used by City employees under the DPO and DHMO plans. A significantly reduced network of dentists under Anthem Blue Cross, Cigna or Guardian would impact the current selection of dentist to a significant number of employees. The selection of Delta Dental will ensure no disruption.
- In addition, Delta Dental is the only insurer that offers an expansion of the eligibility criteria to include dependent children up to age 26 regardless of financial dependence, residency, student status or marital status.
- Finally, Delta Dental has rendered satisfactory services in claim administration.

Respectfully submitted,

LeRoy J. Jackson
City Manager

By 
Leyta O. Fuentes
Human Resources Manager

CONCUR:


LeRoy J. Jackson
City Manager

Attachments:

- Attachment A – Dental carriers requested to quote
- Attachment B - 2013 Rate and Cost Proposals
- Attachment C – DPO Plan Benefit Comparison Summary
- Attachment D – DHMO Plan Benefit Comparison Summary
- Attachment E – Delta Dental Proposed Renewal Rates
- Attachment F – DPO Network Disruption Analysis
- Attachment G – DHMO Network Disruption Analysis

CITY OF TORRANCE

2013 Carriers Requested to Quote
Dental Marketing Project

Carriers	Responses
Aetna	Declined to Quote - Not Competitive
Ameritas	Quoted DPPO only - Not Competitive
Anthem Blue Cross	Quoted - Shown in presentation
Assurant	Declined to Quote - Not Competitive
Cigna	Quoted - Shown in presentation
Delta Dental	Inforce - Shown in presentation
Guardian	Quoted - Shown in presentation
MetLife	Quoted - Not as Competitive as marketplace
Mutual of Omaha	Quoted - Not Competitive
Principal	Quoted - Not Competitive
Prudential	Declined to Quote - Not Competitive
Reliance Standard	Declined to Quote - No DHMO Option
Standard	Proposal Not Received
United Concordia	Proposal Not Received
United Healthcare	Declined to Quote - Not Competitive

CITY OF TORRANCE

2013 Dental Marketing - Financial Comparison

PPO	# Enrolled	Current Delta	Initial 2013 Renewal Delta	Final 2013 Renewal Delta	Proposed Anthem Blue Cross	Proposed Cigna*	Proposed Guardian
Employee	440	\$38.22	\$39.45	\$38.22	\$36.97	\$37.40	\$35.98
Emp. + 1	367	\$76.44	\$78.79	\$76.44	\$73.95	\$74.80	\$71.94
Emp. + Family	340	\$131.87	\$136.10	\$131.87	\$127.57	\$129.04	\$124.10
Monthly Cost	1,147	\$89,706	\$92,548	\$89,706	\$86,780	\$87,781	\$84,427
Annual Cost		\$1,076,473	\$1,110,575	\$1,076,473	\$1,041,363	\$1,053,374	\$1,013,126
\$ Change to Current			\$34,102	\$0	-\$35,110	-\$23,099	-\$63,347
% Change to Current			3.2%	0.0%	-3.3%	-2.1%	-5.9%
Rate Guarantee			1 year	1 year	1 year	2nd year 6.5% rate cap	2 years, 3rd year 9% rate cap

HMO	# Enrolled	Current DeltaCare	Initial 2013 Renewal DeltaCare	Final 2013 Renewal DeltaCare	Proposed Anthem Blue Cross	Proposed Cigna	Proposed Guardian
Employee	38	\$17.47	\$17.47	\$17.47	\$16.95	\$16.15	\$13.26
Emp. + 1	38	\$31.54	\$31.54	\$31.54	\$32.72	\$29.15	\$24.75
Emp. + Family	57	\$46.64	\$46.64	\$46.64	\$48.21	\$43.11	\$39.25
Monthly Cost	133	\$4,521	\$4,521	\$4,521	\$4,635	\$4,179	\$3,682
Annual Cost		\$54,250	\$54,250	\$54,250	\$55,625	\$50,144	\$44,180
\$ Change to Current			\$0	\$0	\$1,375	-\$4,106	-\$10,071
% Change to Current			0.0%	0.0%	2.5%	-7.6%	-18.6%
Rate Guarantee			1 year	1 year	1 year	2 years	2 years, 3rd year rate cap 9%
COMBINED TOTALS							
Total Monthly Cost		\$94,227	\$97,069	\$94,227	\$91,416	\$91,960	\$88,109
Total Annual Cost	1,280	\$1,130,723	\$1,164,825	\$1,130,723	\$1,096,988	\$1,103,518	\$1,057,306
Total \$ Change to Current			\$34,102	\$0	-\$33,735	-\$27,205	-\$73,418
Total % Change to Current			3.0%	0.0%	-3.0%	-2.4%	-6.5%

Note: *Cigna will offer 1/2% discount off the PPO rates if the Cigna life/AD&D and disability plans are selected by the City of Torrance. This equates to an overall dental cost of \$1,049,586 annually or \$31,286 less than current or -2.9% below current.

CITY OF TORRANCE

PPO Dental Benefit Comparison

Proposed Effective Date January 1, 2013

Benefits (Calendar Year)	Current Delta		Proposed Anthem		Proposed Cigna		Proposed Guardian	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Per Person/ Per Family	\$40/\$120	\$50/\$150	Will match	Will match				
Deductible Waived for Diagnostic & Preventive?	Yes	Yes	Will match	Will match				
Maximums								
Dental calendar year maximum	\$1,500	\$1,500	Will match	Will match				
Orthodontic lifetime maximum	\$2,000	\$2,000	Will match	Will match				
Benefits and Covered Services								
Diagnostic & Preventive Care (Exams, cleanings, x-rays)	80%	80%	Will match	Will match				
Basic Treatment (Fillings, simple extractions, sealants)	80%	80%	Will match	Will match				
Endodontics (Root canals)	80%	80%	Will match	Will match				
Periodontics (Gum treatment)	80%	80%	Will match	Will match				
Oral Surgery	80%	80%	Will match	Will match				
Major Services (Crowns, inlays, onlays, cast restorations, bridges and dentures, implants)	50%	50%	Will match	Will match				
Orthodontia Services (Child Only)	50%	50%	Will match	Will match				
Orthodontia Takeover?	N/A	N/A		Yes	Yes		Yes, except if in DPPO and change to DHMO.	
Late Entrant Waiting Period								
Non-PPO Claims Processed	Contracted rates	Contracted rates	Contracted rates	90th percentile	Contracted rates	95th percentile	Contracted rates	95th percentile
Special Notes								
Sealants	Covered on Basic	Covered on Basic	Covered on Diagnostic/ Preventive	Covered on Basic	Covered on Basic			

**City of Torrance
Dental Prepaid Benefit Comparison
Proposed Effective Date January 1, 2013**

Services	Current / Renewal DeltaCare CA10A	Proposed Anthem Blue Cross	Proposed Cigna C0608	Proposed Guardian U60MS + Option W
0999 Office Visit during regular hours	No Charge	No Charge	\$5 copay	\$5 copay
Diagnostic/Preventive				
0120 Periodic oral evaluation	No Charge	No Charge	No Charge	No Charge
1110/1120 Cleaning	No Charge	No Charge	No Charge	No Charge
0210 X-rays; complete series	No Charge	No Charge	No Charge	No Charge
1351 Sealants per tooth	\$5 copay	\$10 copay	\$5 copay	No Charge
1510 Space Maintainer	\$10 copay	\$25 copay	\$15 copay	No Charge
Restorative (Fillings)				
2140 Amalgam (One Surface)	No Charge	No Charge	No Charge	No Charge
2335 Resin, 4+ surfaces, incisal angle, anterior	No Charge	\$10 copay	No Charge	No Charge
Endodontics (Root Canal)				
3310 Anterior - 1 canal	\$45 copay	\$75 copay	\$40 copay	\$70 copay
3330 Molar - 3 canals	\$205 copay	\$180 copay	\$100 copay	\$140 copay
3410 Apicoectomy, anterior	No Charge	\$90 copay	\$50 copay	\$90 copay
4210 Gingivectomy/quadrant	\$80 copay	\$75 copay	\$75 copay	\$60 copay
4260 Osseous surgery	\$175 copay	\$200 copay	\$150 copay	\$155 copay
4341 Scaling/quadrant	No Charge	\$25 copay	\$15 copay	\$25 copay
Oral Surgery				
7210 Extraction, erupted tooth	\$15 copay	\$25 copay	No charge	\$35 copay
7240 Impacted tooth, completely bony	\$70 copay	\$85 copay	\$40 copay	\$80 copay
Crowns/Dentures				
2750 Crown - Porcelain fused to high noble metal	\$195 copay	\$200 copay + add'l \$75 copay porcelain on molars	\$260 copay + add'l \$150 copay porcelain on molars	\$95 copay + cost of high noble metal
5110/5120 Complete denture	\$100 copay	\$250 copay	\$75 copay	\$110 copay
Orthodontics				
8680 Orthodontic retention	\$275 copay	\$275 copay	\$300 copay	\$400 copay
8070-80 24-month treatment - Children	\$1,700 copay	\$1,450	\$1,900 copay	\$1,500 copay
8690 24-month treatment - Adults	\$1,900 copay	\$1,450	\$2,100 copay	\$2,800 copay
Ortho Takeover Provision	N/A	No	Yes	Yes, except if in DPPO then elects DHMO
Special Notes				
Additional Cleaning	\$45 copay: adult \$35 copay: child	3rd cleaning in 12 month period is 80% of usual fee	add'l cleaning in CY is \$45 copay (adult); \$30 copay (child)	add'l cleaning in same 12 months is \$60 copay
6190 - 6194 Implant Services	Not Covered	Not Covered	Prosthesis over implants covered	Not Covered



Delta Dental

Dental DPO and DeltaCare DHMO Renewal Rates

Delta Dental PPO	# of EE's	Current 2012	Initial Renewal 2013	Final Renewal 2013
Employee	440	\$38.22	\$39.45	\$38.22
Employee + 1 Dep.	367	\$76.44	\$78.89	\$76.44
Employee + Family	340	\$131.87	\$136.10	\$131.87
Monthly Cost	1147	\$89,706	\$92,585	\$89,706
Annual Cost		\$1,076,473	\$1,111,016	\$1,076,473
\$ Change to Current			\$34,543	\$0
% Change to Current			3.21%	0.00%

DeltaCare DHMO	# of EE's	Current 2012	Initial Renewal 2013	Final Renewal 2013
Employee	38	\$17.47	\$17.47	\$17.47
Employee + 1 Dep.	38	\$31.54	\$31.54	\$31.54
Employee + Family	57	\$46.64	\$46.64	\$46.64
Monthly Cost	133	\$4,521	\$4,521	\$4,521
Annual Cost		\$54,250	\$54,250	\$54,250
\$ Change to Current			\$0	\$0
% change to Current			0.00%	0.00%

Please note: Delta Dental's 2013 renewal extends the age of eligible dependent children up to age 26 regardless of financial dependence, residency, student or marital status.

CITY OF TORRANCE

Delta Dental DPO Disruption Analysis

Full Name	Address	City	Zip	Specialty	In Delta Premier	In Delta PPO?	In Anthem?	In Cigna?	In Guardian	
JEE AHN	18506 HAWTHORNE BLVD	TORRANCE	90504	General Dentist	Y	N	Y	Y	N	
ISSAC HUANG	3640 LOMITA BLVD STE 208	TORRANCE	90505	General Dentist	Y	Y	Y	N	Y	
JOSEPH ZAPANTA	722 W WILLOW ST	LONG BEACH	90806	General Dentist	Y	N	Y	N	N	
CHESLEY HOUSKE JR	1607 CRAVENS AVE	TORRANCE	90501	General Dentist	Y	Y	N	Y	Y	
FRANK ENRIQUEZ	23727 HAWTHORNE BLVD STE 4B	TORRANCE	90505	Pediatric Dentist	Y	N	N	N	N	
MERCEDITAS SINSIOCO	2413 PACIFIC COAST HWY STE 203	LOMITA	90717	General Dentist	Y	N	Y	N	N	
FREDERICK FRUHLING II	1603 CRAVENS AVE	TORRANCE	90501	General Dentist	Y	N	N	N	N	
BARBARA GRACE	23530 HAWTHORNE BLVD STE 280	TORRANCE	90505	General Dentist	Y	N	Y	N	N	
MICHAEL HOPKINS	1706 S ELENA AVE STE B	REDONDO BEACH	90277	General Dentist	Y	N	N	N	N	
JANETTE PINEDO-POLLOCK	3400 LOMITA BLVD STE 406	TORRANCE	90505	General Dentist	Y	N	N	N	N	
ERIK SINGER	21350 HAWTHORNE BLVD STE 253	TORRANCE	90503	Endodontist	Y	Y	N	N	N	
ERIC ENG	450 S GLENDORA AVE STE 106	WEST COVINA	91790	Orthodontist	Y	N	Y	Y	Y	
ANTHONY JONG	23000 CRENSHAW BLVD STE 207	TORRANCE	90505	General Dentist	Y	N	Y	N	N	
CAROLYN DOHERTY	23451 MADISON ST STE 260	TORRANCE	90505	General Dentist	Y	Y	Y	Y	Y	
CHRIS DALIS	1122 CRENSHAW BLVD	TORRANCE	90501	General Dentist	Y	Y	N	N	Y	
ROGER GILLESPIE	23560 MADISON ST STE 215	TORRANCE	90505	General Dentist	Y	N	N	N	N	
WARREN TOFUKUJI	22330 HAWTHORNE BLVD STE 316	TORRANCE	90505	General Dentist	Y	N	N	N	N	
MARINA ADAMS	1608 CENTINELA AVE STE 7	INGLEWOOD	90302	General Dentist	Y	N	N	Y	N	
ALENOUSH BAGDASARYAN	457 PALM DR STE 100	GLENDALE	91202	General Dentist	Y	Y	Y	Y	Y	
JONATHAN LO	550 DEEP VALLEY DR STE 345	ROLLING HILLS ESTATES	90274	Pediatric Dentist	Y	N	N	N	N	
MARK OSEAS	3771 W 242ND ST STE 102	TORRANCE	90505	Oral Surgeon	Y	Y	N	N	N	
CARLOS FAUSTO	21720 S Vermont Ave Ste 112	TORRANCE	90502	General Dentist	N	N	N	N	N	
NORTON DONNER	857 Silver Spur Rd	ROLLING HILLS	90274	General Dentist	N	N	N	N	N	
CHRISTOS THANOS	1122 CRENSHAW BLVD	TORRANCE	90501	Pediatric Dentist	Y	Y	Y	N	Y	
RUTH BECKER	3661 TORRANCE BLVD STE 105	TORRANCE	90503	General Dentist	Y	N	N	N	N	
					TOTAL "Yes"	23	8	10	6	7
					TOTAL "No"	2	17	15	19	18

CITY OF TORRANCE DeltaCare DHMO Disruption Analysis

FACILITY NAME	ADDRESS	CITY	ZIP	In DeltaCare?	In Anthem?	In Cigna?	In Guardian?	
DENTAL ASSOC OF TORRANCE	21229 HAWTHORNE BLVD STE A	TORRANCE	90503	Y	Y	Y	Y	
DOWNTOWN FAMILY DENTAL	2055 TORRANCE BLVD	TORRANCE	90501	Y	Y	Y	Y	
BARRY KASHFIAN DENTAL GROUP	1917 S CATALINA AVE # B	REDONDO BEACH	90277	Y	N	N	Y	
TORRANCE DENTAL ARTS	23326 HAWTHORNE BLVD STE 190	TORRANCE	90505	Y	Y	N	N	
SHANNON YOON DDS	25124 NARBONNE AVE STE 202	LOMITA	90717	Y	Y	Y	N	
WEST COAST DENTAL	1730 SEPULVEDA BLVD STE 1	TORRANCE	90501	Y	Y	Y	N	
CASTLE DENTAL CENTERS	13220 HAWTHORNE BLVD	HAWTHORNE	90250	Y	Y	N	N	
MAIN STREET DENTAL GROUP	131 W ONTARIO AVE STE 102	CORONA	92882	Y	Y	Y	Y	
VILLAGE FAMILY DENTAL	1235 SEPULVEDA BLVD	TORRANCE	90502	Y	Y	Y	Y	
WEST COAST DENTAL	14525 LAKEWOOD BLVD STE A	PARAMOUNT	90723	Y	Y	Y	Y	
BELLFLOWER DENTAL	17615 LAKEWOOD BLVD	BELLFLOWER	90706	Y	Y	Y	Y	
JOHN LEGASPI DMD	13352 HAWTHORNE BLVD	HAWTHORNE	90250	Y	N	N	N	
SMILECARE-TORRANCE	923 W CARSON ST	TORRANCE	90502	Y	Y	N	Y	
GALLERIA DENTAL CARE	2772 ARTESIA BLVD STE 103	REDONDO BEACH	90278	Y	N	Y	N	
GARDEN GROVE DENTAL	12630 BROOKHURST ST STE B	GARDEN GROVE	92840	Y	Y	Y	Y	
GATEWAY DENTAL GROUP	38209 47TH ST E STE E	PALMDALE	93552	Y	Y	Y	Y	
DR CAMPBELL CENTURY DENTAL	1270 SARTORI AVE	TORRANCE	90501	Y	N	Y	N	
WHITTIER DENTAL CENTER	14564 WHITTIER BLVD	WHITTIER	90605	Y	Y	N	Y	
BEACH DENTAL GRP & ORTHO	9842 ADAMS AVE STE 106	HUNTINGN BCH	92646	Y	Y	Y	Y	
LINDA ONYADOR DDS	555 W COMPTON BLVD STE 103	COMPTON	90220	Y	N	N	N	
CHOICE DENTAL GROUP	12730 HAWTHORNE BLVD STE D	HAWTHORNE	90250	Y	Y	Y	Y	
LAKEWOOD DENTAL ARTS	5555 DEL AMO BLVD	LAKEWOOD	90713	Y	Y	Y	Y	
LAKE FOREST DENTAL GROUP	23704 EL TORO RD STE A	LAKE FOREST	92630	Y	Y	Y	Y	
CROWN DENTAL GROUP	1295 S LA BREA AVE STE 101	INGLEWOOD	90301	Y	Y	Y	Y	
MANHATTAN VILLAGE DENTAL GRP	1200 ROSECRANS AVE STE 210	MANHATTAN BEACH	90266	Y	Y	Y	Y	
PLAZA DENTAL	14240 S VERMONT AVE	GARDENA	90247	Y	Y	Y	N	
ROBERT C C LEE FAMILY DTL	11780 FIRESTONE BLVD	NORWALK	90650	Y	N	N	N	
PENINSULA DENTAL ARTS	550 DEEP VALLEY DR STE 347	PLS VRDS PNSL	90274	Y	N	Y	Y	
Data Source : CPS (Last updated 7/16/2012)				TOTAL "Yes"	28	21	20	18
				TOTAL "No"	0	7	8	10

Please Note : The above listing represents the top 28 DeltaCare general dentist facilities that members of 2012-0068 are assigned to.

