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June 21, 2018  
RE: Dental Insurance

Mr. Wyrosdick and School Board Members,

An RFP process was followed to go out to bid on our Dental Services. In the past this product has been bundled with our health plan RFP process. However, due to our district moving to a self-funded health plan, we have more flexibility and financial incentives to move away from this type of product bundling and to seek competitive bids. Our insurance committee put together a subcommittee to serve on this RFP that was opened on April 30<sup>th</sup>, 2018 and our Intended Decision was posted May 31<sup>st</sup>, 2018. We had 4 dental carriers submit bids and the RFP committee is recommending for award United Healthcare (UHC). If approved, services would start in January of 2019. We would begin the planning and transition process immediately. Some of the highlights of the plan designs and financials include:

- Replacing our current Low Option Plan with our current High Option Plan as our New Low Option Plan. The New Low Option Plan would provide an enhanced benefit structure including 100% Preventive Care to promote wellness. The cost increase to the “Low Option Plan” would be:
  - \$2.36 Employee Only
  - \$6.10 EE + Spouse
  - \$7.00 EE + Children
  - \$9.92 Family
- The impact to the School Board of the cost increase of the New Low Option Plan would be approximately \$12,000. This would be cost increases to cover employees that receive free dental as a board benefit when they do not elect medical coverage. However, these employees will have the benefits of coverage under our current High Option Plan.
- Research done by UHC revealed that approximately 30% to 35% of our employees go out of network for a dental provider. To help these employees with potential cost savings, we are presenting a New High Option Plan that includes added coverage for out of network providers as well as offers an annual increased out of pocket coverage amount per person on the plan.

- We anticipate that most of our employees will elect the New Low Option Plan (which is the current High Option Plan). This plan is our most popular plan currently and employees that remain on it will see a cost savings with the same plan being moved to our New Low Option choice.
- Under this new model, even if no one selects the New High Option Plan, we will have 1,718 employees benefit from cost savings and 377 employees will have a cost increase. However, these employees will also see an increased benefit for the cost.
- The New High Option Plan premiums are:
  - Employee Only – \$ 27.92
  - E + Spouse – \$ 78.68
  - E + Children – \$ 88.75
  - Family – \$125.10

While these plans are move expensive due the increased coverage and benefits for out of network providers, they will be a strong selection option for some employees that have previously been on the current High Option Plan. However, they will also have the option to keep their current benefits at a lower cost under the New Low Option Plan.

For Santa Rosa County Schools, United Healthcare commits to undertake a targeted provider recruitment campaign with the objective of minimizing disruption of existing in-network dentist-patient relationships.

Upon notification of award network representatives will target non-par highly utilized providers, using several methods to include telephonic outreach, mailers and face to face recruitment. We request the permission to use Santa Rosa County School Board's name and logo as needed in all recruitment efforts including but not limited to recruitment letters and other printed materials. Santa Rosa County School board will have the right to review the materials prior to implementation.

United Healthcare has also included the following financial value added benefits to offset our benefit administration costs. These funds will be credited to our benefit administrative costs through Web Benefits Design. The value added costs are: first year \$75,000.00, 2<sup>nd</sup> and 3<sup>rd</sup> year \$35,000.00.

We appreciate Cindy Lambeth (Purchasing Manager), the RFP committee, our Risk Management staff, and Mike Carraway (our agent) for their work in taking us through the product reviews to thoughtfully select the best carrier to meet our needs over the next 5 years. Committee members were Pam Smith, Risk Manager; Jon Thrush, Textbook and Surplus Manager; Marie Bodi, Teacher; Michelle Ingram, Senior Computer Programmer/Analyst; and Joey Harrell, Assistant Superintendent of Administrative Services.

Sincerely,

*Pam Smith*

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*PREPARING STUDENTS FOR SUCCESS BY PROVIDING A SUPERIOR, RELEVANT EDUCATION*