



Travis County Commissioners Court Agenda Request

Meeting Date: Tuesday, September 25, 2012
Prepared By/Phone Number: C.W. Bruner, 854-9760
Elected/Appointed Official/Dept. Head: Cyd Grimes
Commissioners Court Sponsor: Judge Biscoe

Approve twelve-month extension (Modification No. 2) to Contract No. 4400001092 (HTE Contract No. 10T00123OJ), Union Security Insurance Company, for dental services.

- **Purchasing Recommendation and Comments:** Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes.

This contract provides DHMO, MAC and PPO dental service plans for Travis County employees. There are no County funds expended on this contract. Funds are 100% paid by the employees.

This Modification No. 2 will extend the contract for an additional twelve (12) months, from October 1, 2012 through September 30, 2013.

Modification No. 1 was previously issued to extend the contract for twelve additional months from October 1, 2011 through September 30, 2012.

- **Contract Expenditures:** Within the last twelve months, \$0.00 has been spent against this contract.
- **Contract Modification Information:**
 - Modification Amount: Not Applicable
 - Modification Type: Bilateral
 - Modification Period: October 1, 2012 – September 30, 2013
- **Funding Information:**
 - Shopping Cart/Funds Reservation in SAP:
 - Comments: 100% paid by Travis County employees.

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

(SAP # 4400001092)

ISSUED BY: PURCHASING OFFICE 700 LAVACA STREET 8 TH FLOOR AUSTIN, TX 78701	PURCHASING AGENT ASST: CW Bruner TEL. NO: (512) 854-9760 FAX NO: (512) 854-4211	DATE PREPARED: August 14, 2012
ISSUED TO: Union Security Insurance Company United Dental Care of Texas, Inc. 3595 Grandview Parkway, Suite 650 Birmingham, Alabama 35243	MODIFICATION NO.: 2	EXECUTED DATE OF ORIGINAL CONTRACT: July 20, 2010

ORIGINAL CONTRACT TERM DATES: October 1, 2010 - September 30, 2011 CURRENT CONTRACT TERM DATES: October 1, 2012 - September 30, 2013

FOR TRAVIS COUNTY INTERNAL USE ONLY: Original Contract Amount: \$ N/A Current Modified Amount \$ N/A

DESCRIPTION OF CHANGES: Except as provided herein, all terms, conditions, and provisions of the document referenced above as heretofore modified, remain unchanged and in full force and effect.

Contractor and County entered into a contract to allow county employees, retirees, and their dependents to purchase group dental benefits. In 2010, County issued an RFP P100123-OJ and Company submitted the best negotiated response which resulted in a contract for a one year term that began October 1, 2010, ("Agreement") and the option to extend the Agreement for four (4) additional one year periods.

Agreement to Amend Agreement

Company and County agree to amend the Agreement as follows:

1.0 EXERCISE OF OPTION

1.01 Pursuant to 2.02, 9.0, 10.0 and 11.0 of the Agreement, Travis County exercises its second option to extend this Agreement from October 1, 2012 through September 30, 2013 and to provide the United Dental Care of Texas, Inc Dental Health Maintenance Organization Plan (DHMO) with no waiting period; (ii) the Union Security Insurance Company Freedom Preferred Dental Solutions including the Lifetime of Smiles Program and a waiver of the preventive maximum with a maximum benefit of \$1,000 for lifetime orthodontia and \$1,500 annually for other dental services ("MAC Plan"), and (iii) the Union Security Insurance Company, Freedom Preferred Dental Solutions including the Lifetime of Smiles Program and a waiver of the preventive maximum with a maximum benefit of \$1,000 for lifetime orthodontia and \$2,000 annually for other dental services ("PPO Plan").

Note to Vendor:

Complete and sign your portion of the signature block section below for all copies and return all signed copies to Travis County.

DO NOT execute and return to Travis County. Retain for your records.

LEGAL BUSINESS NAME: <u>Union Security Insurance Co. & United Dental Care of Texas</u>	<input type="checkbox"/> DBA <input checked="" type="checkbox"/> CORPORATION <input type="checkbox"/> OTHER
BY: <u>Dianna D. Duvall</u> SIGNATURE	DATE: <u>9-11-2012</u>
BY: <u>Dianna D. Duvall</u> PRINT NAME	
TITLE: <u>Sr Vice President</u> ITS DULY AUTHORIZED AGENT	

TRAVIS COUNTY, TEXAS BY: _____ CYD V. GRIMES, C.P.M., TRAVIS COUNTY PURCHASING AGENT	DATE:
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TRAVIS COUNTY, TEXAS BY: _____ SAMUEL T. BISCOE, TRAVIS COUNTY JUDGE	DATE:
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MODIFICATION OF CONTRACT NUMBER: 10T001230J PAGE 2 OF 2 PAGES

2.0 RATE CHANGES

2.01 Pursuant to 2.02 and 9.0, the monthly rates applicable to the DHMO Plan for the second option period of the Agreement are as follows:

TIER OF COVERAGE	SECOND OPTION—FY 2013
Employee only	\$11.70
Employee +1 adult	\$18.70
Employee +1 child	\$18.70
Employee +2 or more children	\$25.08
Employee +1 adult + 1 child	\$25.08
Employee +family	\$29.34

2.02 Pursuant to 2.02 and 10.0, the monthly rates applicable to the MAC Plan for the second option period of the Agreement are as follows:

TIER OF COVERAGE	SECOND OPTION—FY 2013
Employee only	\$20.61
Employee +1 adult	\$39.21
Employee +1 child	\$39.21
Employee +2 or more children	\$64.58
Employee +1 adult + 1 child	\$64.58
Employee +family	\$83.18

2.02 Pursuant to 2.02 and 11.0, the monthly rates applicable to the PPO Plan for the first second period of the Agreement are as follows:

TIER OF COVERAGE	SECOND OPTION—FY 2013
Employee only	\$33.16
Employee +1 adult	\$66.32
Employee +1 child	\$66.32
Employee +2 or more children	\$103.73
Employee +1 adult + 1 child	\$103.73
Employee +family	\$136.89

3.0 INCORPORATION OF CONTRACT

3.01 Contractor and County hereby incorporate this amendment into the Agreement. Contractor and County hereby ratify all of the terms and condition of the Agreement as amended in Modification 2.

4.0 EFFECTIVE DATE

4.01 The changes stated in this amendment are effective on October 1, 2012.



HRMD

Human Resources Management

1010 Lavaca Street, Suite 200 • P.O. Box 1748 • Austin, Texas 78767 • (512) 854-9165 / FAX(512) 854-3128

May 31, 2012

To: C.W. Bruner, CTP, Purchasing Agent Asst.III

From: Cindy Purinton, Benefit Administrator *CP*
John Rabb- Benefit Manager *JR*

Subject: Assurant Dental 10T00123OJ

Vendor services related to the above contract have been performed as per the in force contract, and the County will exercise the renewal contract option available for FY2013 on all three dental plans.

There is a 4% increase to the PPO and MAC plan rates. The DHMO Plan has no increase in rates. There is no County funding involved, dental is 100% employee paid

This contract is funded from line item 898-0000-205-2410

If you have any questions please contact Cindy Purinton or John Rabb, at 854-9165.

Cc: Diane Blankenship, Director, HRMD



TRAVIS COUNTY FY 2013 DENTAL PLAN OPTIONS - EFFECTIVE OCTOBER 1, 2012

COST PER MONTH	Assurant Employee Benefits DHMO 189	Assurant Employee Benefits Preferred-MAC Plan	Assurant Employee Benefits Freedom Preferred-PPO Plan (High Option)
Employee Only	\$11.70	\$20.61	\$33.16
Employee + 1 Adult	\$18.70	\$39.21	\$66.32
Employee + 1 Child	\$18.70	\$39.21	\$66.32
Employee + 2 or more children	\$25.08	\$64.58	\$103.73
Employee + 1 Adult + 1 Child	\$25.08	\$64.58	\$103.73
Employee + Family	\$29.34	\$83.18	\$136.89

Dental coverage is optional, and 100% employee, paid with no County Contributions

PLAN COMPARISONS

TYPE OF SERVICE	Assurant Employee Benefits DHMO 189	Assurant Employee Benefits Preferred-MAC Plan	Assurant Employee Benefits Freedom Preferred-PPO Plan (High Option)
	Provider based on fee schedule	Provider fees are subject to Maximum Allowable Charge	Provider based on Usual & Customary Rates
Calendar Year Deductible per person	\$0	\$50	\$50
Calendar Year Deductible per family	\$0	\$150	\$150
Calendar Year Maximum	No Maximum	\$1,500	\$2,000
Preventative Services Routine oral exams, routine cleanings, fluoride treatment (frequency limitations may apply)	100% no co-pay x-rays are preventative (frequency limitations apply)	100% no deductible Bitewing x-rays Benefits paid for Type I Preventative Services will not be applied to the Calendar yearly Maximum	100% no deductible Bitewing x-rays Benefits paid for Type I Preventative Services will not be applied to the Calendar yearly Maximum
Restorative Services (Type II Basic) Fillings, all other x-rays, simple extractions	Various co-pay amounts based on what service is performed	80% after deductible	80% after deductible
Major Services Crowns, bridgework, dentures, oral surgery, extractions, endodontics (root canals, etc.), periodontics (treatment of gums), implants	Various co-pay amounts based on what service is performed Implants are not covered on DHMO	50% after deductible	50% after deductible
Orthodontic Services (braces)	Employee co-pay amounts \$300 Bracketing, \$2,000 child, \$2,200 adult	50% \$0 deductible	50% \$0 deductible
Orthodontic Maximum	No Maximum	\$1,000	\$1,000

Assurant Employee Benefits is the brand name for dental insurance underwritten by Union Security Insurance Company and DHMO dental provided by United Dental Care of Texas, Inc. Plans contain limitations, exclusions, and restrictions.

This document provides only a brief summary of the dental plans. For complete details, please refer to the dental plan documents that are provided to the Travis County employees and retirees during open enrollment. For additional information or questions please contact Assurant Employee Benefits.

Assurant Employee Benefits DHMO 189	Assurant Employee Benefits Preferred-MAC Plan	Assurant Employee Benefits Freedom Preferred-PPO Plan (High Option)
<p>DHMO- You must select a plan Dentist to receive services. Except for certain specialty dental services, all services must be performed by this selected plan dentist. When you enroll for benefits, treatments you receive from your selected plan Dentist will be provided at reduced fees called co-payments.</p>	<p>MAC-Plan allows employee to have access to the DHA[®] PPO providers and take advantage of their fee discounts. Dentists participating in the DHA[®] networks have agreed to discount their usual fees. DHA[®] dentists will not balance bill patients the difference between what they usually charge and the agreed upon discount.</p>	<p>An Access plan allows employees to have access to Dental Health Alliance[®], L.L.C. (DHA[®]) providers and take advantage of their fee discounts. Dentists participating in the DHA[®] networks have agreed to discount their usual fees by up to 20% for employees and their dependents.</p>
	<p>Treatment is available from dentists who do not participate in DHA[®], but their fees are subject to a Maximum Allowable Charge (MAC). A MAC is the most we will pay per procedure to non-participating dentists. In addition to any deductible and coinsurance amounts, the patient is also responsible for fees in excess of the MAC.</p>	<p>Benefits are paid at the negotiated fee level for in network providers. Benefits for services from out-of-network providers will be paid at the 90th percentile of the amount charged by the majority of dentists in the area.</p>
	<p>The allowable amount for non-participating dentists is based on 45% off the 80th percentile of usual and customary. This means that at least 8 out of 10 charges in a given geographical area are at or below what is considered usual and customary.</p>	



ASSURANT
Employee
Benefits

2323 Grand Boulevard
Kansas City, MO 64108-2670
www.assurant.com

May 23, 2012

Ms. Cindy Purinton
Travis County
PO Box 1748
Austin, TX 78767

Re: Travis County
Policy/Plan: 5451628
Plan Type: Dental
Anniversary Date: 10/01/2012
Rate Effective Date: 10/01/2012
Enrollment Period: 07/15/2012 - 08/15/2012

Dear Ms. Purinton,

Thank you for your business and for choosing Assurant Employee Benefits. We are committed to helping you realize the best value for your benefit dollars. In some studies, researchers have observed that people with gum disease (when compared to people without gum disease) were more likely to develop heart disease or have difficulty controlling blood sugar according to the National Institute of Dental and Craniofacial Research website January, 2010. Preventive dental health today may be the key to healthcare cost savings tomorrow.

Although recognizing the value of dental benefits is an important first step, choosing a dental plan is equally important. All dental plans, products and services are not the same. Assurant Employee Benefits is a leader in dental benefits and was honored in 2008 by Celent as a Model Carrier for the establishment of our online claims management system that enables us to better serve claimants.

A thorough review of your plan(s) has been completed. For your convenience, the table(s) below shows the monthly rate or fee changes effective October 1, 2012.

Plan(s)	Current	Renewal
High Dental Freedom - Preferred Plan Access		
Employee	\$31.88	\$33.16
Employee + Spouse	\$63.76	\$66.32
Employee + One child	\$63.76	\$66.32
Employee + Two or more children	\$99.74	\$103.73
Employee + One adult + One child	\$99.74	\$103.73
Employee + One adult + Two or more children	\$131.62	\$136.89
Vision (VSP) Employee	Included	Included

Assurant Employee Benefits is the brand name used for insurance products underwritten and issued by Union Security Insurance Company. Assurant Employee Benefits is the brand name used for prepaid dental products administered by Union Security Insurance Company and provided by United Dental Care of Texas, Inc.

The rate change shown above to your High Dental plan reflects the projected dental industry cost inflation for the coming year. This projection includes an increase in service fees, changes in benefit utilization, and advances in technology. The factors used in our calculations are comparable with factors used by other insurers.

Plan(s)	Current	Renewal
Low Dental Freedom - Preferred Plan Access MAC		
Employee	\$19.82	\$20.61
Employee + Spouse	\$37.70	\$39.21
Employee + One child	\$37.67	\$39.21
Employee + Two or more children	\$62.10	\$64.58
Employee + One adult + One child	\$62.10	\$64.58
Employee + One adult + Two or more children	\$79.98	\$83.18
Vision (VSP) Employee	Included	Included

The rate change shown above to your Low Dental plan reflects the projected dental industry cost inflation for the coming year. This projection includes an increase in service fees, changes in benefit utilization, and advances in technology. The factors used in our calculations are comparable with factors used by other insurers.

Plan(s)	Current	Renewal
DHMO/Prepaid Dental TX DHMO Dental Plan 189 (High) Ortho		
Employee	\$11.70	\$11.70
Employee + Spouse	\$18.70	\$18.70
Employee + One child	\$18.70	\$18.70
Employee + Two or more children	\$25.08	\$25.08
Employee + One adult + One child	\$25.08	\$25.08
Employee + One adult + Two or more children	\$29.34	\$29.34
Vision (VSP) Employee	Included	Included

We are pleased to remind you that the current fee(s) for your Texas DHMO Dental plan are guaranteed until October 1, 2013. The fee(s) will be guaranteed unless an amendment to the plan changes our liability prior to that date.

Should you have any questions regarding your renewal, please contact the account management team in the sales office at or e-mail . This team is dedicated to servicing your account and employee benefit needs.

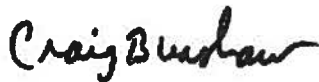
They will be happy to assist you with ...

- Recommending plan options for you and your employees.
- Your annual enrollment meeting.
- Streamlining your administration with our online tools.
- Adding additional employee benefits.

Assurant Employee Benefits offers the strength and stability you can count on. We are part of Assurant, Inc., a Fortune 500 company. We specialize in small to mid-sized businesses, offering both employer and employee-paid plans. We offer disability, life, dental and vision plans tailored to meet your needs.

Again, thank you for your business.

Sincerely,



Craig Bunshaw
Renewal Underwriter
Assurant Employee Benefits
816.474.2607
Craig.Bunshaw@Assurant.com

<p>Financial Ratings Union Security Insurance Company A.M. Best A- (Excellent) Moody's A3 (Good) Standard & Poor's A- (Strong) 11/18/2010</p>
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cc: Group Sales Office



ASSURANT
Employee
Benefits

2323 Grand Boulevard
Kansas City, MO 64108-2670

Thank you for choosing Assurant Employee Benefits. We know insurance has historically been a paper-intensive industry. We're trying to change that. In an effort to be more mindful of our environmental impact and eliminate unnecessary paper from your mailbox, renewal packets will now only be supplied when re-enrollment meetings are conducted. Should you still require renewal packets, you may request them by contacting the sales office at or e-mail .

Ms. Cindy Purinton
Travis County
PO Box 1748
Austin, TX 78767

Policyholder Mailer