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OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools,
Thriving Students

Memo

To Board of Education

From Antwan Wilson, Superintendent and Secretary, Board of Education
Vernon Hal, Senior Business Officer
Ruth Alahydoian, Chief Financial Officer

Board Meeting Date September 23, 2014

Subject Approval by the Board of Education of a Participation Agreement with Self-Insured Schools of California (SISC III), for Delta Dental Claims Administration

Action Requested Approval of a nine month contract, with one-year options to extend, of a participation agreement with SISC III, for Delta Dental Claims Administration.

Background The District's current Delta Dental Claims Administration contract with Keenan Associates is set to expire on September 30, 2014.

Due to the cancellation of the Employee Benefits Consulting Services Agreement with Keenan & Associates, Oakland Unified School District is no longer eligible to participate in Keenan's Schools' Dental Coalition.

The District's Board of Education approved a contract on June 25, 2014, for The Segal Group to begin employee benefit consulting services on July 1, 2014 as Oakland Unified School District's broker of record.

Based on The Segal Group's recommendation, SISC III will provide Oakland Unified School District with a Delta Dental program which will provide benefits identical to those currently enjoyed by employee and retiree beneficiaries, but with an additional savings of approximately \$8,000 per year.

Discussion The District has no internal staff capacity to administer the claims that are generated by its permissibly self-insured dental program. SISC III is one of the largest school-focused health care purchasing pools in California. This size means there is large bargaining leverage with providers.

SISC III will provide a full service program in conjunction with Delta Dental. Those services include, but are not limited to, supervising initial and subsequent enrollment of District's eligible employees, furnishing Delta Dental with a monthly eligibility tape containing names of all eligible members, the District will continue to be responsible for collecting funds for payment of dental benefits and the Delta Dental administration fees.



Recommendation	Approval by the Board of Education of a Participation Agreement with SISC III to provide Delta Dental Claims Administration services. Agreement covers a nine month term, with perpetual one-year options to extend, for a participation agreement with SISC III, for Delta Dental claims administration.
Fiscal Impact	Fund 76, Resource Code 0000, in an amount not to exceed \$4,200,000, which includes both administrative fees under the Participation Agreement and actual Delta Dental claim expenses paid. This amount is expected to be approximately \$8,000 less than the District is currently paying each year for these benefits.
Attachment	Participation Agreement, Self-insured Schools of California (SISC III)

SISC III

SELF-INSURED SCHOOLS OF CALIFORNIA

(661) 636-4410

1300 17th Street - P.O. Box 1847
Bakersfield, CA 93303-1847

FAX (661) 636-4156

PARTICIPATION AGREEMENT

Whereas Oakland Unified School District (hereinafter called "Participant") has established a self-funded dental plan and whereas Participant will be enlisting the services of SISC III (Self-Insured Schools of California-hereinafter called SISC III). Whereas Participant agrees that SISC III entered into an Administrative Services Agreement with Delta Dental to provide eligibility data, forwarding of payments for claims and administrative costs, and to act as a single contract source for SISC III participants; and whereas SISC III will provide Participant with reporting on a periodic basis; therefore, Participant desires to enter into a Participation Agreement with SISC III effective October 1, 2014, under the following terms and conditions:

I. SISC III's RESPONSIBILITIES:

SISC III shall have the following responsibilities during the term of this Agreement.

A. Enrollment and Eligibility

SISC III will supervise initial and subsequent enrollment of Participant's eligible employees. SISC III will furnish Delta Dental with a monthly eligibility tape containing names of all eligible employees, based on the information supplied to SISC III by Participant. SISC III will communicate with Delta Dental and Participant regarding any eligibility inquiries on eligible employees of Participant who were not listed on the Eligibility List.

B. Eligibility Listings

SISC III will provide Participant with an Eligibility List by the last day of the month, showing all eligible employees who were reported to SISC III by Participant for that month.

C. Collection of Payments

SISC III will be responsible for collecting funds from Participant sufficient for payment of dental benefits and the Delta Dental administration fee. SISC III will wire transfer the amount of claims/administration costs to Delta Dental each week without regard for late or nonpayment by other Participants of SISC III. SISC III agrees to allow Participant access to its books and records upon reasonable request and at reasonable times to ensure SISC III's faithful performance of the terms, conditions and covenants herein.

D. Reporting

SISC III will provide Participant with monthly Expense Reports reflecting claims activity within the Delta Dental plan(s). A monthly claims report will be provided by Delta Dental directly to SISC III and the Participant. In addition, SISC III will provide the Participant with a report detailing all transactions that occur each contract term. Any requests for specialty reports will be provided by Delta Dental at an additional cost to the Participant.

E. Inquiries

SISC III will respond to all inquiries by Participant regarding eligibility, renewals, funding of benefits, and administrative expenses.

F. Evidence of Coverage Booklets

SISC III will distribute to Participant the Evidence of Coverage booklets furnished to SISC III by Delta.

G. Representation to Delta Dental

SISC III will assign a representative to act as a contact with Delta Dental for information dissemination and, with prior written approval and authorization, to negotiate new terms of contract with Delta Dental.

H. Participation Agreement

SISC III will obtain from Participant a signed Participation Agreement which shall be forwarded to Delta.

I. Renewal Notice

SISC III shall provide Participant with any proposed rate increase at least 60 days prior to annual renewal date.

II. PARTICIPANT'S RESPONSIBILITIES:

A. Eligibility Listings

Participant will provide complete eligibility listing and enrollment information to SISC III, along with any necessary changes to employee status (permitted or retroactive additions, deletions, changes of family status) on or prior to the 15th of the month preceding eligibility.

B. Claims and Administration Services Payments

On the first working day of each month, Participant will transfer funds to SISC III. The amount transferred (see attachment A) is an estimate of monthly paid claims and administrative fees sufficient to cover the weekly disbursements by Delta Dental and SISC administrative costs.

Late payments will be assessed fees as follows:

i. Payments postmarked after the 3rd working day of the month will be assessed a fee equal to 1% of the amount on Attachment A.

ii. Payments postmarked after the 10th working day of the month will be assessed a fee equal to 2% of the amount on Attachment A.

C. COBRA Eligible Members

Participant shall be responsible for its member employees and/or dependents who may elect to maintain benefits under the Federal COBRA provisions. Various letters,

notifications, election forms and premium payment tracking shall be provided to its member employees (or former employees) by Participant. Eligible COBRA employees and/or dependents shall be reported to SISC III in the same manner as other eligible employees, with Participant maintaining the responsibility of tracking the various time limits of eligibility.

III. TERM AND TERMINATION

The initial term of the Agreement shall be for nine (9) months, commencing on October 1, 2014 and renewing on July 1, 2015 and each July 1st thereafter. Either party may cancel this Agreement upon the giving of 60 days advance written notice without cause, or upon 30 days notice with cause, unless that cause has been corrected within the 30 day period. Cause means a material breach of any provision of this Participation Agreement. Notwithstanding, anything contained herein to the contrary, Participant may cancel this Agreement upon three (3) days notice in the event SISC III fails to make any payment to Delta as required hereunder. Notification of intent to cancel by either party must be in writing directed to either party's address.

IV. INDEMNIFICATION

1. SISC III shall defend and hold harmless Participant and their respective agents, employees, affiliates, successors and assigns from and against any and all claims, injury, losses, demands, cost (including actual attorneys' fees incurred), damages or any liability whatsoever arising out of negligent acts or misconduct by SISC III or from the performance or nonperformance of this Participation Agreement by SISC III except as to any liability caused by Participant's act, omission or nonperformance of this Participation Agreement.
2. Participant shall defend and hold harmless SISC III and their respective agents, employees, affiliates, successors and assigns from and against any and all claims, injury, losses, demands, or cost (including actual attorneys' fees incurred), (1) resulting from any claims by any party related to the release of information by Participant to SISC III, or (2) arising out of Participant's negligent acts or misconduct.

IN WITNESS WHEREOF, Participant and SISC III (Self-Insured Schools of California) have caused this Agreement to be executed by persons authorized to act in their respective names.

OUSD or the District verifies that the Contractor does not appear on the Excluded Parties List at www.epls.gov/epls/search.do.

Oakland Unified School District

By: _____

Date: _____

Self-Insured Schools of California (SISC III)

By: _____

Date: _____


**SISC III Participation Agreement
Self-Funded Dental Plan**

IN WITNESS WHEREOF, the parties hereto agreed to be bound and have executed this Agreement on the day first mentioned above.


Antwan Wilson, Superintendent and Board Secretary 9/24/14


President, Board of Education 9/24/14
Oakland Unified School District

Approved As to Form


Jacqueline Minor, General Counsel

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Bv:

**Oakland Unified School District
Delta/SISC Monthly Invoice Calculation
October 2014 through June 2015**

	Estimated Claims PCPM	Estimated Delta Dental Admin 5.87%	SISC Admin	Monthly Rates
Single	\$56.86	\$3.34	\$0.20	\$60.40
Two-Party	\$93.42	\$5.48	\$0.20	\$99.10
Family	\$143.87	\$8.45	\$0.20	\$152.52