



COUNTY OF SANTA CRUZ 0091

PERSONNEL DEPARTMENT

701 OCEAN STREET, SUITE 310, SANTA CRUZ, CA 95060-4073
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DANIA TORRES WONG, DIRECTOR

September 3, 2001 :

Agenda Date: September 18, 2001

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

AUTHORIZE RENEWAL FOR EMPLOYEE'S VISION, LIFE, AND CAPITATED DENTAL PLANS

Dear Members of the Board:

The agreements regulating the premiums for employee life, vision and capitated dental insurance expire in October. Staff has been negotiating with the vendors to provide agreements for another year and are presenting them to your Board for approval. No premium increases are recommended for life, vision, or capitated dental coverage.

A discussion for each of the three contracts follows:

Life Insurance. ING, formerly known as ReliaStar and Northwestern National Life, has provided life insurance coverage for County employees since 1989. Based on the County's history and 2000-2001 experience, ING has agreed to continue the current premium of \$.18 per thousand for life insurance coverage and \$.03 per \$1,000 for accidental death and dismemberment.

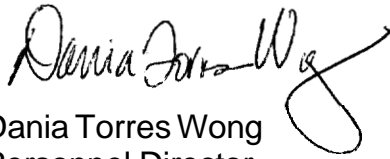
Vision. Vision Service Plan (VSP) has agreed to continue vision coverage at the current rate of \$6.54 per month for an employee and \$18.10 per month for dependent coverage.

Private Medical Care, Inc. (PMI). PMI has provided capitated or prepaid dental services to County employees since 1984. Approximately 9% of employees eligible for dental coverage are enrolled in this plan. PMI attempted to increase our rates for this next contract year because they have great difficulty contracting with HMO dentists in Santa Cruz County and have continually paid beyond capitation. However, they missed the contractual deadline date to increase rates for the County and must, therefore, renew the contract for one year at the same rates we currently pay.

The employee life, vision and dental benefits provided through these contracts are required in agreements with employee organizations. Premiums for these benefits are budgeted in the individual departmental budgets.

It is therefore RECOMMENDED that your Board authorize the Personnel Director to accept the life, vision, and dental insurance renewals with ING, VSP, and PMI at the current rates through September 2002.

Sincerely,


Dania Torres Wong
Personnel Director

RECOMMENDED:


SUSAN A. MAURIELLO
County Administrative Officer

cc: Personnel (3)