



# Napa County

## Board Agenda Letter

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Board of Supervisors

**Agenda Date:** 12/17/2024

**File ID #:** 24-2054

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**TO:** Board of Supervisors  
**FROM:** Christine Briceño, Director of Human Resources  
**REPORT BY:** Joy Cadiz, Staff Services Manager  
**SUBJECT:** Self-Administered Rate for the Dental Program with Delta Dental

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### **RECOMMENDATION**

Approve and authorize an increase of the County's self-funded Dental Program rate to \$130.00 per month for employees and retirees, effective January 1, 2025. (Fiscal Impact: \$64,000 Expense; Fund dependent upon Department usage; Budgeted; Discretionary)

### **BACKGROUND**

The County offers a self-funded PPO Dental Plan through Delta Dental. The County charges a premium amount to departments for each employee to fund a dental reserve from which the County pays Delta Dental for claims. Because the County's PPO Dental Plan is self-funded, the County is expected to maintain a certain level of reserve in that fund to be able to pay for claims and respond to any fluctuations in total claim amounts.

A recent underwriting analysis recommended an increase to the premium to add funds to Napa County's dental reserve. If the rate increase is not approved, the dental reserve fund may dip below the recommended balance depending on the claims submitted in the upcoming year.

The County increased the self-administered rate last year due to a negotiated agreement with the Public Services Employees union to provide enhanced dental benefits. Prior to last year, the rate over the past several years has decreased in an effort to reduce the overfunded dental reserve balance to the amount recommended by the County's benefits consultant, Alliant Employee Benefits. After evaluating the dental fund balance this year, Human Resources requests that effective January 1, 2025, the County increase the self-administered rate that is charged to departments from \$126.88 per employee per month, and \$126.81 per retiree per month, to \$130.00 for both employees and retirees per month, which is an increase of 2.46% for employees and 2.52% for retirees.

**FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Departmental Budgets - Employee Group Insurance Premiums
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Increasing the self-funded rate will increase the County's reserve in anticipation of the increase in claim payments.
Is the general fund affected?	Yes
Future fiscal impact:	Human Resources will re-evaluate the dental fund balance next calendar year to determine if further adjustments to the rate will be needed.
Consequences if not approved:	The dental reserve fund will not be sufficient to pay the claims in the upcoming year.

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.