



# City of Grand Island

Tuesday, June 14, 2016

Council Session

## Item G-22

### #2016-145 - Approving Dental Plan Renewal

Staff Contact: Aaron Schmid, Human Resources Director

# **Council Agenda Memo**

**From:** Aaron Schmid, Human Resources Director

**Meeting:** June 14, 2016

**Subject:** Approval of Dental Benefits

**Presenter(s):** Aaron Schmid, Human Resources Director

## **Background**

The City of Grand Island provides dental benefits to its employees. The City has a self-funded plan. The plan premiums are used to pay claims. The City currently utilizes Delta Dental as the third party administrator (TPA) of the plan. Delta processes claims and performs other administrative services in accordance with the service contract. Delta has been the TPA for the City since 2010.

## **Discussion**

Administration is proposing a three year renewal of the plan administration fees with Delta Dental. The proposed Administrative Services Only (ASO) fee would be \$4.23 per employee per month (PEPM). This would be an increase from the current ASO fee of \$3.85 PEPM. The current ASO fee has not increased in the six years with Delta. Administration's review the experience period finds the proposed increase to be appropriate.

Delta continues to offer satisfactory performance and competitive pricing. Delta also offers a large network of providers to service our employees.

Please find included with this memo the proposed renewal letter and the original contract for reference.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date

4. Take no action on the issue

### **Recommendation**

City Administration recommends that the Council approve the dental plan renewal.

### **Sample Motion**

Move to approve the dental plan renewal.



DELTA DENTAL OF NEBRASKA

April 26<sup>th</sup>, 2016

Mr. Aaron Schmid  
City of Grand Island  
100 East 1<sup>st</sup> St.  
Grand Island, NE 68001

RE:      Group Contract:              #979651  
          Contract Renewal Date:      October 1, 2016  
          Contract Term:                **36 Months**

Dear Mr. Schmid:

Delta Dental of Nebraska has been pleased to provide dental benefits to your employees under your current dental contract. We propose to renew the attached Group Dental Contract for the above noted Contract Effective Date on the same terms and conditions now in effect with the monthly rates **increasing to \$4.23 per employee per month.**

Payment of your **October 2016** bill constitutes acceptance of this renewal offer. If you do not intend to renew, our contract requires **written notice fifteen days** prior to the effective date of renewal.

If you have any questions about this renewal, please contact your broker or myself at 402-397-4878 or 800-736-0710.

Sincerely,

Bob Jones

Barbara Jensen  
District Manager

Agreed to and accepted by:

cc: Cal Strong

City of Grand Island \_\_\_\_\_ Date \_\_\_\_\_

DELTA DENTAL OF NEBRASKA  
A Nebraska Non-Profit Health Service Corporation

GROUP DENTAL PLAN CONTRACT  
ADMINISTRATIVE SERVICES ONLY

**SECTION 1**  
**Declarations**

**1.01 GROUP SUBSCRIBER PAYMENTS:**

- (A) The payment required by the Group Subscriber to be made to Delta shall be the following:
1. Claim Payments: Delta will generate a claim billing statement on the first business day of each week that will reflect claim payments made by Delta during the preceding week. Each claim billing statement shall be paid within four (4) business days of notification of the charges incurred.
  2. Administrative Fee: The payment required by the Group Subscriber to Delta as compensation for administration of the dental program shall be the sum of \$(FEE) per employee per month [(PERCENT)% of paid claims for covered dental services]. Delta will generate the administrative fee bill with the last weekly claim billing statement in a calendar month. Payment for the administrative fee shall be submitted to Delta within four (4) business days of notification of the charges incurred.
  3. In the event that any governmental unit shall impose any new tax or assessment not now in effect, which is measured directly by the payments made to Delta by the Group Subscriber pursuant to the Contract, or in the event that the rate of any such tax or assessment now in effect should thereafter be increased, the amount which Delta is authorized to charge pursuant to this paragraph shall be increased by the amount of such new tax or assessment, which is directly applicable to such payments by the Group Subscriber under this Contract.
- (B) In the event of Contract termination or non-renewal, Delta may continue, for a period of six months beyond the termination date (the "Run-Out Period"), to make payments for, and the Group Subscriber agrees to be liable for, dental services performed prior to the termination date but paid by Delta after the termination date. All of the other terms of this Contract will apply to these post-termination services. The Administrative Fee payment by Group Subscriber to Delta during the Run-Out Period shall be the Administrative Fee as stated in paragraph 1.01(A), converted to a percentage of paid claims.
- (C) Upon the Group Subscriber's declaration of bankruptcy or if at any time that the Group Subscriber Payments referenced in Section 1.01(A) are more than ten (10) calendar days in arrears, Delta may, in its sole discretion:
1. Require any payments from the Group Subscriber to be made by wire transfer or by Delta initiated automatic clearing house ("ACH"); or
  2. Require that the Group Subscriber make an advance deposit to Delta in the amount of two (2) weeks estimated Claim Payments. Such deposit will be utilized to secure late Claim Payments made by Delta should the Group Subscriber fail to pay the Claim Payments as required by 1.01(A). Such deposit will be replenished by the Group Subscriber in an amount equal to each payment made by Delta from the deposit, immediately at Delta's request. If Group Subscriber fails to make such deposit or fails to replenish such deposit at Delta's request, Delta's obligations under this paragraph will terminate.

## 1.02 OPEN ENROLLMENT

The Open Enrollment under this Contract shall be held annually.

## 1.03 PERFORMANCE GUARANTEE

The Performance Guarantee, attached hereto and incorporated herein as Exhibit B, establishes the risk pool at \_\_\_\_\_% of annual administrative fee for calendar year 2005.

## SECTION 2

### Definitions

The following terms, words and phrases shall, for purposes of this Contract be defined as follows:

- 2.01 **"Applicable Percentage"** The level specified in the Dental Benefit Plan Summary under the Benefits Schedule which will be applied to the Plan's Payment Obligation to determine Delta's benefit obligation with respect to any covered Dental Procedure.
- 2.02 **"Attending Dentist Statement" or "Claim Form"** The written document required to be submitted to Delta to substantiate any claim under this Contract for dental care and treatment performed or to be performed on a Covered Person.
- 2.03 **"Continuation of Coverage Qualifying Event"** The happening of certain events such as employment termination, divorce, death of an eligible employee and other events specified in the Dental Benefit Plan Summaries ["Continuation of Coverage"] the occurrence of which may entitle an Eligible Employee and his or her Eligible Dependents to continue coverage under this contract.
- 2.04 **"Contract Date"** The date set forth on the Signature page upon which this Contract becomes effective.
- 2.05 **"Contract Documents"** All written documents comprising this Contract between the Group Subscriber and Delta including the Signature page, the Declarations page and the other documents listed and described on the Signature page and any amendments or addendums to this Contract entered into and signed by the Group Subscriber and Delta on or after the Contract Date.
- 2.06 **"Contract Term"** The period of time set forth on the Signature page which specifies the length or duration of this Contract.
- 2.07 **"Coverage Year"** The 12-month period of time as set forth in the Dental Benefit Plan Summary during which applicable Contract deductibles and maximums will apply for each Covered Person.
- 2.08 **"Deductible"** That amount of the Plan's Payment Obligation specified in the Dental Benefit Plan Summary under Deductible for which Delta will not make any benefit payment.
- 2.09 **"Delta"** Delta Dental of Nebraska, a Nebraska non-profit health service plan corporation which maintains its principal place of business at Atrium Executive Square, 11235 Davenport Street, Suite 105, Omaha, NE 68154.
- 2.10 **"Dental Service," "Dental Services," and "Dental Procedures"** The providing of dental care or treatment by a Dentist to a Covered Person while this Contract is in effect provided that such care or treatment is recognized by Delta as a generally accepted form of care or treatment according to prevailing standards of dental practice.

- 2.11 **"Dentist"** A doctor of dentistry duly licensed and registered to practice the profession of dentistry and whose license is in good standing with the appropriate licensing or governing body of the State of Nebraska, any other state of the United States, a territory of the United States, a foreign country or other similar jurisdiction.
- 2.12 **"Group Dental Plan Contract," "This Contract" and "Contract"** The written agreement between the Group Subscriber and Delta consisting of the Signature page, the Declarations page and those additional Contract Documents listed and described on the Signature page.
- 2.13 **"Group Subscriber"** The party to this Group Dental Plan Contract with Delta and identified as such on the Signature page.
- 2.14 **"Group Subscriber Payments"** The payment obligation of the Group Subscriber as specified in Section 1.01 or as referenced in Section 3.04.
- 2.15 **"Maximum Amount Payable"** Delta Dental's Maximum Amount Payable is a schedule of fixed dollar maximums established solely by Delta Dental for dental services provided by a licensed dentist who is a Delta Dental Premier dentist.
- 2.16 **"Open Enrollment"** The period of time or dates set forth in paragraph 1.02 during which an Eligible Employee may elect, while this Contract is in effect, to add coverage under this Contract for him or herself, or his or her Dependents.
- 2.17 **"Other Coverage"** The coverage provided by any other organization subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, by any other medical, dental or hospital service organization, or by similar plan or by union welfare plans, or employee or employer benefit organizations or by health maintenance organizations, preferred provider organizations or exclusive provider organizations providing benefits of any kind for dental procedures or services. "Other Coverage" excludes group hospital indemnity policies of \$100 per day or less, student accident policies and individual dental payment plans or policies.
- 2.18 **"Participating Dentist"** A Dentist who has signed and filed a participating and membership agreement with his/her local Delta Dental Plan which is in effect at the time any provision of this Contract becomes applicable. The dentist has agreed to accept Delta Dental's Maximum Amount Payable as payment in full for covered dental care.
- 2.19 **"Plan Payment Obligation"** Claim payments are based on the Plan's Payment Obligation which is the highest fee amount Delta Dental approves for dental services provided by a dentist to a Delta Dental covered patient. The Plan Payment Obligation for Delta Dental Premier dentists is the lesser of: (1) The fee pre-filed by the dentist with their Delta Dental organization; (2) The Maximum Amount Payable as determined by Delta Dental; (3) The fee charged or accepted as payment in full by the Delta Dental Premier dentist regardless of the amount charged.

The Plan Payment Obligation for Delta Dental PPO dentists is the lesser of: (1) The fee pre-filed by the dentist with their Delta Dental organization; (2) The Delta Dental PPO Maximum Amount Payable as determined by Delta Dental; (3) The fee charged or accepted as payment in full by the Delta Dental PPO dentist regardless of the amount charged.

The Plan's Payment Obligation for nonparticipating dentists is the treating dentist's submitted charge or the Table of Allowances established solely by Delta Dental, whichever is less.

All Plan Payment Obligations are determined prior to the calculation of any patient co-payments and deductibles as provided under the patient's Delta Dental program.

- 2.20 **"Pretreatment Estimate"** The Pretreatment Estimate is a valuable tool for both the dentist and the patient. Submission of a Pretreatment Estimate, allows the dentist and the patient to know what benefits are available to the patient before beginning treatment. The Pretreatment Estimate outlines the patient's responsibility to the Participating Dentist with regard to co-payments, deductibles and non-covered services and allows the dentist and the patient to make any necessary financial arrangements before treatment begins. This process does not prior authorize the treatment nor determine its dental or medical necessity. The estimated Delta Dental payment is based on the patient's current eligibility and current available contract benefits. The subsequent submission of other claims, a change in eligibility, a change in the contract coverage or the existence of other coverage may alter the Delta final payment amount as shown on the Pretreatment Estimate form.
- 2.21 **"Table of Allowances"** A schedule of fixed dollar maximums established by Delta Dental for services rendered by a licensed dentist who is a nonparticipating dentist.
- 2.22 **"Treatment Plan"** A written outline of the planned program of dental care and treatment performed or to be performed on a Covered Person by a Dentist after examination of the Covered Person and submitted on a form acceptable to Delta and with such documentation as may be required by Delta.
- 2.23 **"Delta Dental PPO Dentist"** A dentist who has signed and filed with Delta Dental a Delta Dental PPO Agreement which is in effect at the time any provision of this Group Dental Contract becomes applicable with respect to the provision of any dental service for which payment is claimed under this Group Dental Contract.
- 2.24 **"Delta Dental PPO Maximum Amount Payable"** is a schedule of fixed dollar maximums established solely by Delta Dental for dental services provided by a licensed dentist who is a Delta Dental PPO dentist.

### **SECTION 3**

#### **General Terms**

- 3.01 **Purpose:**  
To set forth in writing the obligations between the Group Subscriber and Delta and to define the contractual benefits for Dental Procedures performed by Dentists on Covered Persons while this Contract is in effect.
- 3.02 **Effective Date:**  
This Contract takes effect on the Contract Date as shown on the Signature page and all contract years and months will be determined by reference to the Contract Date. This Contract will continue in effect for the Contract term specified on the Signature page.
- 3.03 **Contract Renewal:**  
This Contract will automatically renew upon expiration of the Contract Term for successive one (1) year Contract Terms subject to the right of either Delta or the Group Subscriber to terminate or elect not to renew as hereinafter provided. All renewals will be subject to any amendments to this Contract mutually agreed upon by Delta and the Group Subscriber. If either Delta or the Group Subscriber elects as of any contract renewal date not to renew this Contract for a succeeding one (1) year term, notice of such election shall be given to the other party in writing at least thirty (30) days prior to such renewal date.
- 3.04 **Payment Determination and Remittance:**  
A. The Group Subscriber Payments specified in Section 1, paragraph 1.01 which are applicable as of the Contract Date shall apply throughout the initial Contract Term beginning with the effective date of this Contract. Delta reserves the right to change the Group Subscriber



Payments applicable to any succeeding 12 month period after expiration of the initial Contract Term. For each Contract Term subsequent to the initial Contract Term the Group Subscriber Payments shall be such amounts as are determined solely by Delta. Delta shall not increase the Group Subscriber Payments unless it gives written notice of any such increase to the Group Subscriber at least \_\_\_\_\_ (\_\_\_\_\_) days prior to the renewal date on which a subsequent Contract Term commences.

- B. If this Contract ceases to be effective for any reason and Delta and the Group Subscriber desire to continue coverage until completion of negotiations and signing of a new or renewal Contract between Delta and the Group Subscriber or, if the parties specifically agree in writing to continue coverage as provided for in the Contract, or if the Group Subscriber continues to make the Group Subscriber Payments after a contract termination and Delta in its sole discretion decides to accept such Group Subscriber Payments and notifies the Group Subscriber in writing at any time after termination of the Contract; then, in such event, the last Contract in effect between Delta and the Group Subscriber shall continue in force on an interim month-to-month basis except that the Group Subscriber Payments to be made shall be in an amount equal to the actual claims incurred by Delta under this Contract plus an Administrative Fee as compensation for administration of the dental program, with such administrative fee amount to be agreed upon in writing between Delta and the Group Subscriber. At Delta's option, the Claim Payments shall be made in advance by the Group Subscriber on a month-to-month basis to Delta based upon Delta's estimate and thereafter adjusted monthly after computation by Delta of the actual amount of monthly claims incurred.

#### **SECTION 4**

##### **Contract Termination**

**4.01 By the Group Subscriber. This Contract may be terminated by the Group Subscriber:**

- A. By written notice received by Delta at least thirty (30) days prior to the expiration of the Contract Term specified on the Signature page of this Contract in the event Delta has proposed a rate increase for renewal as specified in Section 3, paragraph 3.04(A).
- B. With respect to an interim month-to-month Contract referenced in Section 3, paragraph 3.04(B) upon written notice received by Delta at least thirty (30) days prior to the effective date of such termination.
- C. Upon advance written notice received by Delta at least thirty (30) days prior to the expiration of a Contract Term or any renewal or extension thereof.

**4.02 By Delta:**

- A. Upon the failure of the Group Subscriber to remit or otherwise pay to Delta any Group Subscriber Payment referenced in Section 1.01 and required under this Contract, by the end of the calendar month in which such amount was billed. Termination under this provision by Delta shall be effective on the last date through which the Group Subscriber has paid the applicable Group Subscriber Payments.
- B. With respect to an interim month-to-month Contract as provided in Section 3, paragraph 3.04(B), upon written notice received by the Group Subscriber at least thirty (30) days prior to the effective date of such termination.
- C. Upon thirty (30) days advance written notice by Delta to the Group Subscriber prior to the end of any Contract Term or renewal or extension thereof.

**4.03 By the mutual written consent of Delta and the Group Subscriber.**

**SECTION 5**  
**Clerical Error**

- 5.01 The coverage of any person who would otherwise qualify as a Covered Person under this Contract but for the existence of clerical error shall not be prejudiced through such clerical error on the part of either the Group Subscriber or Delta. However, if such clerical errors are discovered to have resulted in a reduction or nonpayment of applicable Group Subscriber Payments to Delta which would otherwise have been payable, remittance of such Group Subscriber Payments shall be made by the Group Subscriber to Delta and conversely, if such clerical error is found to have resulted in an overpayment by the Group Subscriber to Delta, adjustment of such overpayment shall be made by Delta where applicable. Delta shall not be required to accept retroactive notification of clerical errors submitted by the Group Subscriber to Delta more than 90 days after the effective date of such coverage.

**SECTION 6**  
**Retroactive Enrollment**

- 6.01 Delta shall not be required to accept retroactive notification of eligibility changes submitted by the Group Subscriber to Delta more than 90 days after the effective date of such change.

**SECTION 7**  
**Continuation of Coverage**

- 7.01 Each Eligible Employee and each Eligible Dependent may continue this coverage if current coverage ends because of the Qualifying Events as listed in the Dental Benefit Plan Summary. Each person who desires to continue coverage must be covered before the Qualifying Event occurs in order to continue coverage. In all cases, continuation of coverage ends if the group contract ends or the required charges are not paid when due. See the Dental Benefit Plan Summary for a list of Qualifying Events, Persons Eligible for Continuation and Maximum Continuation Periods.

**SECTION 8**  
**Further Responsibility Accepted by the Parties**

- 8.01 **The Group Subscriber agrees:**
- A. To furnish Delta with Enrollment Data on a form supplied by Delta.
  - B. To provide information to all of its Eligible Employees as to the existence and terms of this Contract and to distribute to Eligible Employees Delta's standard descriptive brochure or standard dental benefit plan summary of benefits as prepared or approved by Delta.
  - C. To notify Covered Persons of their responsibility to:
    - 1. Notify their Dentist at the time of their first appointment that they are covered under this Contract;
    - 2. To provide their Dentist with group identification and the Eligible Employee's identification number;
    - 3. To request the Dentist to submit a Claim Form or Pretreatment Estimate to Delta on a form acceptable to Delta.
  - D. To require Covered Persons to furnish notice of claims and submit Claim Forms as required by Delta in the event the Dentist fails or refuses to submit the required Claim Forms to Delta.
  - E. To permit Delta (upon reasonable notice) to inspect the records of the Group Subscriber in order to verify the accuracy of the Enrollment Data and Group Subscriber Payments provided or submitted to Delta.

- F. To furnish notification of all persons electing Continued Coverage under Section 7, the dates of their elections, projected termination dates and, if applicable, the identification number of the Eligible Employee who previously entitled that person to coverage as a "Covered Person" prior to the occurrence of a Qualifying Event.

**8.02 Delta agrees:**

- A. To encourage Participating Dentists to submit a Pretreatment Estimate request prior to the rendition of high cost dental treatment.
- B. When a Pretreatment Estimate is submitted prior to rendition of dental care and treatment, to advise the Participating Dentist of the estimated amount of the Plan's Payment Obligation payment pursuant to the submitted Pretreatment Estimate; and to review to the extent deemed necessary and appropriate by Delta in order to ascertain the extent to which the submission of Pretreatment Estimates provides covered benefits.
- C. To pay on receipt of the Claim Form to Participating Dentists that part of the Plan Payment Obligation for completed dental care and treatment based on the benefits to which the Covered Person is entitled under this Contract.
- D. To pay to Covered Persons on receipt of the Claim Form in all cases not covered by (C), above, an amount based on a Table of Allowances established solely by Delta, but not more than the actual charges for such completed dental care and treatment.
- E. To make periodic sample reviews, when deemed necessary and advisable by Delta of the Claim Forms and Pretreatment Estimate for which benefits have been paid or approved under this Contract in order to ascertain whether the allowance of benefits under this Contract are considered generally accepted forms of dental care and treatment and are prevailing standards of dental practice.
- F. To coordinate the benefits payable under this Contract when required.
- G. To terminate, suspend or place in a probationary status the participation agreement of any member Dentist who in the exclusive discretion of Delta violated the provisions of the Dentist Membership and Participation Agreement, fails to conduct his or her practice in accordance with applicable standards of the dental profession prevailing in the community or who violates any of the rules, regulations or provisions of the Articles of Incorporation or By Laws of Delta.

**8.03 The Group Subscriber and Delta agree:**

- A. That neither the Group Subscriber or Delta, nor their employees or agents, shall be liable for any act or omission by a Dentist, his employees or agents, or any person performing dental or other professional services under this Contract and no benefits of any kind shall be payable under this Contract for retreatment or additional treatment necessary to correct or relieve the results of previous treatment.
- B. All material published or distributed concerning this Contract shall be approved by Delta prior to publication and distribution.
  - 1. In the event an employee's claim for benefits under the plan is denied, Delta shall furnish the Covered Person a notice setting forth the specific reason for such denial;
  - 2. Delta agrees, upon request, to afford a reasonable opportunity to any Covered Person, whose claim for benefits has been denied, for a full and fair review by an appropriate individual or committee of Delta.

This section, however, shall not be construed to be a designation by the Group Subscriber, plan or trustees of the Group Subscriber, nor an acceptance or admission by Delta, that Delta is a fiduciary or a plan administrator and this paragraph is provided in the Contract as an

assistance to the Group Subscriber to provide in this plan for notices to Covered Persons of denial of claims and to provide in this plan for review of such denials.

- C. EVERY COVERED PERSON SHALL HAVE AT ALL TIMES FREE CHOICE OF THE DOCTOR OF DENTISTRY WHO IS TO TREAT HIM OR HER AND SUCH RIGHT SHALL BE PROMINENTLY PRINTED IN THE DESCRIPTIVE BROCHURE OR DENTAL BENEFIT PLAN SUMMARY REQUIRED PURSUANT TO SECTION 9.01(A), HEREOF.
- D. In the event of conflict between this Contract and the descriptive brochure or dental benefit plan summary, this Contract shall prevail.
- E. That if any portion of this Contract, or any amendment thereof, should be determined by an arbitrator, or court of competent jurisdiction, to be illegal, void or unenforceable, such determination shall not abrogate any other portion hereof.
- F. To estimate payment and the Plan Payment Obligation for dental care and treatment to be performed as specified in a Pretreatment Estimate approved by Delta subject to Covered Person's continuing eligibility, but not beyond the end of any Contract Term, and also further subject to applicable Contract maximums.
- G. Delta may not make any benefit allowances under this Contract unless a Claim containing the information required by Delta has been submitted within twelve (12) months after the time such dental care and treatment is performed. Delta, in its sole discretion, may approve payment beyond this twelve month period. No cause of action or lawsuit may be maintained for any benefits or payments under this Contract after two (2) years have expired from the date of filing of the claim.
- H. No representation by the Group Subscriber, its agents or employees except for the Enrollment Data provided to Delta, shall void the Contract or be used in legal proceedings hereunder, unless such representation is included in or attached to this Contract. Except as otherwise provided in Section 1.01(C), no agent or representative of Delta, other than an officer of the corporation is authorized to alter or change this Contract, or amend or waive any of its provisions and then only in the form of a written amendment hereto signed by an officer of Delta and by an authorized representative of the Group Subscriber.
- I. Benefits and benefit allowances shall be determined in accordance with the terms and conditions outlined in the Dental Benefit Plan Summary and this Contract. The Group Subscriber maintains the final, binding discretionary authority with regard to payment of any dental claims.
- J. That Delta relies on the accuracy of the enrollment data furnished to Delta by the Group Subscriber or its designated third party, and that Delta is not responsible for the recoupment of any claim payments made with respect to any Covered Person later discovered to have been ineligible for any reason unless the claim payment was made as a result of Delta's error,

## **SECTION 9**

### **Possible Direct Payment to Provider Upon Request of Non-custodial Parent**

- 9.01 When Dental Services covered under this Contract are rendered by a non-participating Dentist to a Dependent of an Eligible Employee who has legal responsibility for that Dependent's dental care but who does not have custody of the Dependent, Delta may, upon request of the non-custodial parent, make payments, directly to the provider of the dental care notwithstanding the provider's non-participating status with Delta.

## **SECTION 10**

### **Claim and Appeal Procedures**

### Initial Claim Determinations

All claims should be submitted within 12 months of the date of service. An initial benefit determination on the claim will be made within 30 days after receipt of the claim. The Covered Person will receive written notification of this benefit determination. The 30-day period may be extended for an additional 15 days if the claim determination is delayed for reasons beyond Delta's control. In that case, Delta will notify the Covered Person prior to the expiration of the initial 30-day period of the circumstances requiring an extension and the date by which Delta expects to render a decision. If the extension is necessary to obtain additional information from the Covered Person, the notice will describe the specific information Delta needs, and the Covered Person will have 45 days from the receipt of the notice to provide the information. Without complete information, the Covered Person's claim will be denied.

### Appeals

In the event that Delta denies a claim in whole or in part, the Covered Person has a right to a full and fair review. The Covered Person's request to review a claim must be in writing and submitted within 180 days from the claim denial. Delta will make a benefit determination within 60 days following receipt of the Covered Person's appeal.

The Covered Person's appeal must include their name, their identification number, group number, claim number, and dentist's name as shown on the Explanation of Benefits. Appeals should be sent to the address shown in the Dental Benefit Plan Summary.

The Covered Person may submit written comments, documents, or other information in support of their appeal. The Covered Person will also be provided, upon request and free of charge, reasonable access to and copies of all relevant records used in making the decision. The review will take into account all information regarding the denied or reduced claim (whether or not presented or available at the initial determination) and the initial determination will not be given any weight.

The review will be conducted by someone different from the original decision-makers and without deference to any prior decision. Because all benefit determinations are based on a preset schedule of dental services eligible under the plan, claims are not reviewed to determine dental necessity or appropriateness. In all cases where professional judgment is required to determine if a procedure is covered under the plan's schedule of benefits, Delta will consult with a dental professional who has appropriate training and experience. In such a case, this professional will not be the same individual whose advice was obtained in connection with the initial adverse benefit determination (nor a subordinate of any such individual). In addition, Delta will identify any dental professional whose advice was obtained on their behalf, without regard to whether the advice was relied upon in making the benefit determination. If, after review, Delta continues to deny the claim, the Covered Person will be notified in writing.

To the extent your plan is covered by ERISA, after the Covered Person has exhausted all appeals, they may file a civil action under section 502(a) of ERISA.

### Authorized Representative

The Covered Person may authorize another person to represent them and with whom they want Delta to communicate regarding specific claims or an appeal. However, no authorization is required for the Covered Person's treating dentist to make a claim or appeal on their behalf. The authorization form must be in writing, signed by the Covered Person, and include all the information required in Delta's Authorized Representative form. This form is available on Delta's web site or by calling Customer Service. The Covered Person may revoke the authorized representative at any time, and can authorize only one person as their representative at a time.

## **SECTION 11.**

### **Miscellaneous**

#### **11.01 Confidentiality**

Delta shall maintain in confidence all claims for benefits, dental care reports, benefit payments and other records and reports obtained or generated in connection with performing its services under this Agreement, and shall not reveal, without the Group Subscriber's consent, any such information except to the individuals or entities directly affected thereby that have demonstrated a need to know or as may be required by law or legal process.

**11.02 Regulatory Compliance**

Delta agrees to comply with all federal, state and local laws, ordinances, rules, regulations and executive orders, especially pertaining to unlawful discrimination on account of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability or age.

**11.03 Governing Law**

Any questions, complaints, disputes or litigation arising from or concerning this Contract shall be governed by the laws of the State of Nebraska except as they may be subject to federal law (including ERISA, the Employee Retirement Income Security Act of 1974).

**11.04 Fraud and Abuse Prevention and Detection**

A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime. Should Delta detect and recover funds as a result of fraudulent claim submissions, all information will be forwarded to the authorities in accordance with the state of Nebraska insurance anti-fraud statute.

**11.05 Entire Contract**

This Contract along with any attachments referenced herein and any documents incorporated by reference herein represent the entire Contract between the parties concerning the subject matter hereof. The terms and conditions of this Contract supersede any prior verbal or written communications.

**11.06 Assignment**

This Contract may not be assigned by either the Group Subscriber or Delta without prior written consent received from the other party.

**11.07 Binding Effect**

This Contract is binding upon, and shall inure to the benefit of, each of the parties and their successors and permitted assigns.

**11.08 Survival of Terms**

Termination or expiration of this Contract shall not affect the Group Subscriber's obligation to pay any amount due under this Contract. Additionally, any term or condition of this Contract which is clearly intended to continue after termination or expiration shall survive for the period of time necessary to give it its intended effect.

**11.09 Notices**

All notices required under this Contract shall be given in writing signed by the party giving notice and delivered by hand, overnight delivery, or first-class mail. Any notice under this Contract will be sufficient if given by either Group Subscriber or Delta to the other at the addresses below:

For Group Subscriber:

«GroupAdminFirstName» «GroupAdminLastName»  
«GroupName»  
«Address»  
«CityStateZip»

For Delta:

Delta Dental Plan of Nebraska  
P O Box 245  
Minneapolis, MN 55440-0245

## **SECTION 12**

### **Indemnification**

- 12.01 **Delta's Indemnification Obligations.** Delta will defend, hold harmless and indemnify Group Subscriber, its officers, directors, agents and employees against any and all claims, liabilities, damages, judgments or expenses (including reasonable attorney's fees) asserted against, imposed upon or incurred by Group Subscriber that arise out of the willful misconduct, or negligent acts or omissions of Delta or its employees, agents or representatives in the discharge of its or their responsibilities under this Contract. Notwithstanding the foregoing, Group Subscriber shall be solely responsible for payment for Claim Payments and Delta shall not indemnify Group Subscriber against any claims, liabilities, damages, judgments or expenses that constitute payment for Claim Payments.
- 12.02 **Group Subscriber's Indemnification Obligations.** Group Subscriber will defend, hold harmless and indemnify Delta, its officers, directors, agents and employees against any and all claims, liabilities, damages judgments or expenses (including reasonable attorney's fees) asserted against, imposed upon or incurred by Delta that arise out of the willful misconduct or negligent acts or omissions of Group Subscriber, Group Subscriber's employees, agents or representatives in the discharge of its or their responsibilities under this Contract.

DELTA DENTAL OF NEBRASKA  
A Nebraska Non-Profit Health Service Plan Corporation

GROUP DENTAL PLAN CONTRACT SIGNATURE PAGE

GROUP SUBSCRIBER: City of Grand Island

CONTRACT NO: 979651 CONTRACT DATE: October 1, 2013 CONTRACT TERM: 36 Months

Delta Dental of Nebraska (hereinafter Delta) and the above named Group Subscriber, in consideration of the mutual agreements and undertakings set forth in the Contract Documents hereby agree as follows:

It is understood and agreed that effective October 1, 2013, Part 1.01(A)2 is amended as follows:

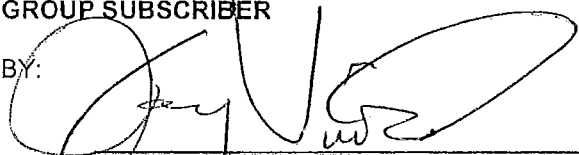
2. Administrative Fee: The payment required by the Group Subscriber to Delta as compensation for administration of the dental program shall be the sum of \$3.85 per employee per month. Delta will generate the administrative fee bill with the last weekly claim billing statement in a calendar month. Payment for the administrative fee shall be submitted to Delta within four (4) business days of notification of the charges incurred.

In witness whereof, Delta and the Group Subscriber have caused this Contract to be signed by their authorized representatives on the dates set forth on the Dental Contract Application and this signature page.

AUTHORIZED SIGNATURES

GROUP SUBSCRIBER

BY:



TITLE:

Mayer

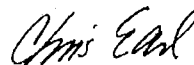
DATE:

September 17, 2013

*Tracy R. Donhof*  
Asst. City Attorney  
9/17/13

DELTA DENTAL OF NEBRASKA

BY:



TITLE:

Chief Sales Officer

DATE:

October 22, 2010



RESOLUTION 2016-145

WHEREAS, the City provides a dental plan for its employees, as authorized by the City of Grand Island Personnel Rules and Regulations and federal regulations; and

WHEREAS, Delta Dental of Nebraska is the Third Party Administrator for the City's dental plan; and

WHEREAS, the City's dental plan is administered by Delta Dental of Nebraska for a fee of \$3.85 per employee per month; and

WHEREAS, Delta Dental of Nebraska's fee will increase \$4.23 per employee per month for a three year period effective October 1, 2016.

NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of Delta Dental of Nebraska is hereby approved for third party administrator services to assist in the administration of a dental plan.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute an agreement for such services on behalf of the City Of Grand Island.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, June 14, 2016.

\_\_\_\_\_  
Jeremy L. Jensen, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk