



City of Grand Island

Tuesday, August 24, 2010

Council Session

Item I6

#2010-236 - Consideration of Approving Dental Contract

Staff Contact: Brenda Sutherland

Council Agenda Memo

From: Brenda Sutherland, Human Resources Director

Meeting: August 24, 2010

Subject: Approving Administrative Services Contract for Dental Insurance

Item #'s: I-6

Presenter(s): Brenda Sutherland, Human Resources Director

Background

Last year the City shopped its health and dental package. RCI was the vendor chosen to provide administrative services for the plan. The City's dental plan is self insured. Therefore the services rendered are for the processing and payment of claims.

Discussion

This past year the claims incurred and paid have seen a fairly substantial increase. As the human resources staff has evaluated the claims data to identify reasons for this, one area that has played a major role is the lack of a network that provides negotiated rates. With our previous carrier we had a network, albeit a small one, there were discounts that were realized by the plan. Once the change to RCI was made we benefited from lower administrative fees but paid higher claims without the network discounts. As is the case with self insured plans, the majority of expense is in the claims side of the equation.

An ad was placed for a request for proposal and several quality proposals were received. The health insurance committee interviewed three companies that submitted proposals that most closely met the needs of the City. Committee members voted on the proposals and the majority of the committee voted to propose Delta Dental of Nebraska to provide the Administrative services for the City's dental plan. The administrative fees are higher than our current administrator but they had the largest network of the companies interviewed. I believe the City and the employee will realize a substantial claims reduction. Based on our current year's claims that were run through the proposed network, the City would have saved roughly \$45,000 in annualized claims paid. The savings are partially offset by incremental costs of approximately \$12,000. These costs are related to the additional administrative costs of \$2.10 per employee per month in

administrative fees. The discounts will far outweigh the additional costs. The references came back stellar on Delta's performance as a dental plan administrator. This coupled with the opportunity for plan savings cost make Delta a smart choice in administrative service providers. The recommendation from the Human Resources Director as well as the Health Insurance Committee is to make Delta Dental of Nebraska the new dental plan administrator as of 10-01-10.

This change removes the dental from the administrative package that we currently have with RCI. The annual healthcare renewal documents will reflect this change.

While the issue at hand is the proposed dental contract, I would like to take this opportunity to inform the Council of changes to our health insurance program at the same time so that we can see changes in the benefit package in its totality. Due to the impact of health care reform and the spike in claims that our plan has experienced this past year we anticipate increases in reinsurance costs as well as the actuarial numbers for the maximum claims renewal numbers. The preliminary numbers that we have seen reinforce that assertion.

The Citywide Health Insurance Committee has met and discussed ways to offset the anticipated increases and have forwarded recommendations which have been communicated to the City Administrator for his approval. These recommendations will provide for more cost sharing by the employee as things like office co-pays will increase from \$25 -\$35 for general practitioners and from \$35 to \$50 for specialists. In addition, the current deductible of \$300 per person, \$600 per family will increase to \$500 per person and \$1,000 per family. When deductibles move up, so does the maximum out of pocket. It will increase from \$1,300 per person to \$1,800 per person and from \$2,600 per family to \$3,600 per family. The last change that will be implemented is the elimination of infertility benefits. The changes in benefits will translate into no increase in monthly premiums for the upcoming plan year. The annual renewal contract will arrive in September.

RCI has been notified that we are bringing forward a contract for dental services with another carrier that can offer the network discounts and as we could have expected, RCI has been very gracious in offering to work with the new vendor in transferring claims information.

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 a contract with Delta Dental of Nebraska to administer the City's dental plan.

Sample Motion

Move to approve a contract with Delta Dental of Nebraska for the administration of the City dental plan.

HIPAA BUSINESS ASSOCIATE ADDENDUM

This Addendum is entered into by and between _____ (“Covered Entity”) and Delta Dental of Nebraska (“Business Associate”), and is incorporated into and is made part of the Group Dental Plan Contract, (the “Agreement”) entered into by and between the parties.

SECTION 1 – BUSINESS ASSOCIATE PROVISIONS

- 1.1 **Introduction.** Pursuant to the Agreement, Business Associate, on behalf of Covered Entity, performs or assists in the performance of functions and activities that may involve the use and disclosure of Protected Health Information as defined in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), Parts 160 and 164 (“Privacy Regulations”). This Section 1 is intended to meet the requirements of the “business associate” provisions of Privacy Regulations and will govern the terms and conditions under which the Business Associate may use or disclose Protected Health Information.
- 1.2 **Permitted Uses and Disclosures**
- (a) Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity pursuant to the Agreement and as permitted or required by this Addendum or the Privacy Regulations.
 - (b) Business Associate may use or disclose Protected Health Information for the proper management and administration of its business or to carry out its legal responsibilities.
 - (c) Business Associate may disclose Protected Health Information for the proper management and administration of its business, if
 - i. the disclosures are required by law, or
 - ii. Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will be held confidentially and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to such person, and the person will notify the Business Associate of any instances of which the person is aware in which the confidentiality of the information has been breached.
 - (d) Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity.
- 1.3 **Limitations on Uses and Disclosures.** With respect to Protected Health Information that Business Associate creates or receives on behalf of Covered Entity, Business Associate will not use or further disclose the Protected Health Information other than as permitted or required by this Addendum or as required by law.
- 1.4 **Additional Obligations of Business Associate.** Except as otherwise specified herein, the provisions of this Paragraph 1.4 apply only to Protected Health Information that Business Associate creates or receives on Covered Entity’s behalf.

- (a) Safeguards. Business Associate will use appropriate safeguards to prevent use or disclosure of Protected Health Information other than as provided for by this Addendum.
- (b) Reporting and Mitigation. Business Associate will report to Covered Entity any use or disclosure of Protected Health Information by Business Associate not provided for by this Addendum within ten (10) business days of its discovery by Business Associate. Business Associate agrees to promptly mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure in violation of this Addendum.
- (c) Agents and Subcontractors. Business Associate will ensure that any agent or subcontractor to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply by and through this Addendum to Business Associate with respect to such information.
- (d) Access to Designated Record Set. At the request of Covered Entity, and in the time and manner designated by Covered Entity, Business Associate will provide access to Protected Health Information in a Designated Record Set to Covered Entity, or as directed by Covered Entity, or to an Individual in order to meet the requirements of 45 C.F.R. § 164.524.
- (e) Amendment of Protected Health Information. Following its receipt of a written request from Covered Entity or an Individual, Business Associate will incorporate any Amendment to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to in accordance with the Privacy Regulations.
- (f) Disclosure Accounting. Following its receipt of a written request from Covered Entity, Business Associate will make available to Covered Entity any information it may reasonably need for it to provide an accounting of disclosures made by Business Associate of an Individual's Protected Health Information in accordance with 45 C.F.R. § 164.528.
- (g) Access to Business Associate's Internal Records. Business Associate will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity available to the Covered Entity or the Secretary, for the purposes of the Secretary's determining Covered Entity's compliance with the Privacy Regulations.

1.5 Disposition of Protected Health Information.

- (a) Term. The Term of this Addendum will begin and become effective on the compliance date applicable to Covered Entity under the Privacy Regulations, and shall terminate when all of the Protected Health Information created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Paragraph 1.5.
- (b) Termination. In the event that Covered Entity discovers and determines that Business Associate materially breached or violated any of its obligations under this Addendum, Covered Entity will notify Business Associate of such breach in writing. Covered Entity may terminate the Agreement or may provide Business Associate with an opportunity to take reasonable steps to cure the breach or end the violation, as applicable, within a

mutually agreed upon period of time. If Business Associate's attempts to cure the breach or end the violation are unsuccessful within that period without limiting the rights of the parties under the Agreement, Covered Entity may terminate the Agreement.

(c) Effect of Termination.

- i. Except as provided in paragraph (ii) of this sub-paragraph, upon termination of the Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information created or received by it on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of Business Associate and/or its subcontractors or agents. Business Associate will not retain any copies of Protected Health Information.
- ii. In the event that Business Associate determines that returning or destroying Protected Health Information is infeasible, Business Associate will notify Covered Entity of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of Protected Health Information is infeasible, Business Associate will extend the protections of this Addendum to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

SECTION 2 – TRADING PARTNER PROVISIONS

- 2.1 **Introduction.** This Section 2 applies to the extent that Business Associate and Covered Entity conduct electronic transactions that are subject to HIPAA, 45 C.F.R. Parts 160 and 162 (the "Electronic Transactions Regulations"). The Business Associate may be considered a "trading partner" of the Covered Entity under the Electronic Transactions Regulations. This Section 2 will govern the terms and conditions under which electronic transactions are conducted.
- 2.2 **Compliant Transactions.** Transactions related to health care and required by HIPAA between Covered Entity and Business Associate, their agents or another health plan will be transmitted in an applicable standard under HIPAA ("Standard Transaction").
- 2.3 **Trading Partner Provisions.** With respect to a Standard Transaction, Covered Entity and the Business Associate agree that they will not:
 - (a) Change the definition, data condition, or use of a data element or segment;
 - (b) Add any data elements or segments to the maximum defined data set;
 - (c) Use any code or data elements that are either marked "not used" in the standard implementation specification or are not in the standard's implementation specifications; nor
 - (d) Change the meaning or intent of the standard's implementation specifications.

- 2.4 **Business Partner Provisions.** The Business Associate will comply with HIPAA requirements applicable to Standard Transactions and require its agents and subcontractors to comply with HIPAA requirements applicable to Standard Transactions.

SECTION 3 – ELECTRONIC SECURITY PROVISIONS

- 3.1 **Introduction.** This Section 3 applies to the extent electronic data will be exchanged between the Business Associate and Covered Entity. The Business Associate may be considered a Business Associate of the Covered Entity under HIPAA, 45 C.F.R. Parts 160 and 164 (the “Security Regulations”). This Section 3 will govern the terms and conditions under which electronic data is exchanged.
- 3.2 **Security Regulations.** Business Associate agrees to:
- (a) Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic Protected Health Information that it creates, maintains or transmits on behalf of the Covered Entity;
 - (b) Ensure that any agent, including a subcontractor, to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect it;
 - (c) Report to the Covered Entity any Security Incident of which it becomes aware;
 - (d) Authorize termination of the Agreement if the Covered Entity determines that the Business Associate has violated a material term of the Agreement.

SECTION 4 – GENERAL PROVISIONS

- 4.1 **Definitions.** All terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in 45 C.F.R. §§ 160.103 and 164.501.
- 4.2 **Conflict.** Except as specifically set forth herein, all terms of the Agreement will continue in full force and effect. In the case of any conflict among the provisions of this Addendum and the Agreement, the terms of this Addendum will prevail.
- 4.3 **Interpretation.** Any ambiguity in this Addendum will be resolved in favor of a meaning that complies and is consistent with the Privacy Regulations. This Addendum and all other agreements between Covered Entity and Business Associate will be interpreted as broadly as necessary to implement and comply with HIPAA and the Privacy Regulations.
- 4.4 **Survival.** This Addendum will survive the expiration or termination of the Agreement and remain in full force and effect for so long as Business Associate or any of its agents or contractors remain in possession, pursuant to Paragraph 1.4(c) hereof, of any Protected Health Information that Business Associate creates or receives on Covered Entity's behalf, and will terminate immediately thereafter.
- 4.5 **Permissible Requests by Covered Entity.** Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Regulations if done by Covered Entity, except as otherwise provided herein.

- 4.6 **Indemnity.** Business Associate will indemnify and hold harmless Covered Entity and Covered Entity's affiliates, officers, directors, employees or agents from and against any claim, cause of action, liability, damage, cost or expense, including attorneys' fees and court or proceeding costs, arising out of or in connection with any non-permitted or violating use or disclosure of Protected Health Information or other breach of this Addendum by Business Associate or any subcontractor, agent, person or entity under Business Associate's control.
- 4.7 **Conformance with Law.** Upon the effective date of any final regulation or amendment to final regulations promulgated by the U.S. Department of Health and Human Services with respect to Protected Health Information or Standard transactions, this Addendum and the Agreement of which it is part will automatically amend such that the obligations they impose on the Business Associate remain in compliance with these regulations.
- 4.8 **Governing Law.** This Addendum will be governed by and construed in accordance with the laws of the state of Minnesota to the extent not preempted by applicable federal law.
- 4.9 **No Third Party Beneficiaries.** Nothing express or implied in this Addendum confers upon any person other than Covered Entity, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- 4.10 **Breach.** "Breach" shall mean the acquisition, access, use, or disclosure of PHI in a manner not permitted by 45 C.F.R. part 164, subpart E which compromises the security or privacy of such information (meaning that it poses a significant risk of financial, reputational, or other harm to the individual). A use or disclosure of PHI that does not include the identifiers listed at 45 C.F.R. § 164.514(e)(2), date of birth, and zip code does not compromise the security or privacy of the PHI. "Breach" does not include: (1) any unintentional acquisition, access, or use of PHI by a workforce member or person acting under the authority of Business Associate if such acquisition, access, or use was made in good faith and within the course and scope of the authority and does not result in further use or disclosure in a manner not permitted by 45 C.F.R. part 164, subpart E; (2) any inadvertent disclosure by a person who is authorized to access PHI at a Business Associate to another person authorized to access PHI at the Business Associate, and any such information received as a result of the disclosure is not further used or disclosed in a manner not permitted by 45 C.F.R. part 164, subpart E; or (3) a disclosure of PHI where the Covered Entity or Business Associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably be able to retain such information.
- 4.11 **Breach Notification Requirements.** "Breach Notification Requirements" means the requirements of 42 U.S.C. § 17932 and regulations issued there under, including 45 C.F.R. part 164, subpart D.
- 4.12 **HITECH.** "HITECH" shall mean the Health Information Technology for Economic and Clinical Health Act and any accompanying regulations, as the same may be amended from time to time.
- 4.13 **Privacy Rule.** "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E
- 4.14 **Security Rule.** "Security Rule" shall mean the Security Standards and Implementation Specifications at 45 C.F.R. part 160 and part 164, subpart C.
- 4.15 **1.6 Unsecured Protected Health Information.** "Unsecured Protected Health Information" or "Unsecured PHI" shall mean PHI that is not secured through the use of a technology or methodology that the Secretary specifies in guidance renders PHI unusable, unreadable, or indecipherable to unauthorized individuals, such as the guidance set forth in 74 Fed. Reg. 19006 (April 27, 2009).

SECTION 5 – COMPLIANCE WITH HITECH

5.1 Security Regulations. Business Associate shall comply with each of the security regulations set forth in 45 C.F.R. §§ 164.308, 164.310, 164.312, and 164.316 in the same manner that such sections apply to the Covered Entity.

5.2 Breach Notification. The following provisions regarding Breach notification are effective with regard to Breaches occurring on or after September 23, 2009. These obligations are in addition to those contained in the Addendum regarding the duty to report violations of the Addendum.

- (a) **Monitoring and Reporting Incidents of Unauthorized Use or Disclosure of Unsecured PHI.** Business Associate will take reasonable steps to monitor the unauthorized acquisition, access, use, and disclosure (subsequently referred to as use or disclosure) of Unsecured PHI relating to Covered Entity. In particular, individuals who use or disclose PHI relating to Covered Entity on behalf of Business Associate will be required to report all such unauthorized use or disclosure to Business Associate's Privacy Officer or designated individual.
- (b) **Determination Whether Unauthorized Use or Disclosure Constitutes Breach.** Upon receiving a report of unauthorized use or disclosure, Business Associate will undertake a risk assessment to determine whether the unauthorized use or disclosure constitutes a Breach of Unsecured PHI. The Business Associate will make and retain records of such determinations, including the basis for determinations that unauthorized uses or disclosures are not Breaches of Unsecured PHI.
- (c) **Notice to Affected Individuals of Breach.** If the unauthorized use or disclosure constitutes a Breach, the Business Associate will notify the Individual(s) whose Unsecured PHI was used or disclosed improperly in accordance with the Breach Notification Requirements via written notice, substitute notice or notice in urgent situations, as appropriate. Written notices will be written in plain language and will include, to the extent possible:
 - (i) a brief description of what happened, including the date of the Breach and the date of discovery of the Breach;
 - (ii) a description of the types of Unsecured PHI involved (without, however, including specific PHI);
 - (iii) any steps Individuals should take to prevent potential harm resulting from the Breach;
 - (iv) a brief description of what the Business Associate is doing (i) to investigate the Breach, (ii) to mitigate harm to Individuals and (iii) to protect against further Breaches; and
 - (v) contact procedures for Individuals to ask Business Associate questions or learn additional information, including a toll-free telephone number, e-mail address, website, or postal address.

Such notification will be provided without unreasonable delay and in no case later than 60 calendar days after discovery of the Breach. Business Associate will provide Covered Entity with a copy of the notice it determines is required by this paragraph (c).

- (d) **Notice to Media of Breaches Involving More Than 500 Residents of Same State or Jurisdiction.** If a Breach involves more than 500 residents of the same State or jurisdiction, the Business Associate will notify the media in accordance with the Breach Notification Requirements. Such notification will be provided without unreasonable delay and in no case later than 60 calendar days after discovery of the Breach. Business Associate will provide Covered Entity with a copy of the notice it determines is required by this paragraph (d) prior to its distribution for review and approval by Covered Entity, which approval will not be unreasonably withheld.
- (e) **Notice to Covered Entity of Breaches Involving 500 or More Individuals.** If a Breach involves 500 or more individuals, the Business Associate will notify Covered Entity with all the appropriate information so Covered Entity can notify HHS in the manner specified in the Breach Notification Requirements and on the HHS website. Business Associate will provide such notification without unreasonable delay and in no case later than 30 calendar days after discovery of the Breach.
- (f) **Maintenance of Log Involving Less than 500 Individuals.** The Business Associate will maintain a log of Breaches involving less than 500 Individuals.
- (g) **Delayed Notification.** Notwithstanding paragraphs (c) and (d) above, if a law enforcement official provides Business Associate with a statement that the notification required under paragraphs (c) and (d) above would impede a criminal investigation or cause damage to national security, then Business Associate may delay the notification for the period of time set forth in the statement. If the law enforcement official provides an oral statement, then Business Associate shall document the statement in writing, including the name of the law enforcement official making the statement, and may delay the notification required under paragraphs (c) and (d) for no longer than thirty (30) days from the date of the oral statement, unless the law enforcement official provides a written statement during that time that specifies a different time period. Business Associate shall be obligated to maintain evidence to demonstrate that the required notification under this paragraph was made.

5.3 Request for Restrictions on Disclosure of PHI. If required by Section 13405 of HITECH (except as otherwise required by law), Business Associate shall comply with any request of an Individual for the Business Associate to restrict the disclosure of PHI of the Individual when the disclosure is to a health plan for purposes of carrying out payment or health care operations (and is not for purposes of carrying out treatment), and the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full.

5.4 Breach by Covered Entity. Effective only if required under Section 13404 of HITECH, if Business Associate knows of a pattern of activity or practice of Business Associate or Covered Entity that constitutes a material breach or violation of the Covered Entity's obligation under the Addendum, Business Associate must take reasonable steps to cure the breach or end the violation, and, if such steps are unsuccessful, terminate the Addendum or report the problem to the Secretary if termination is infeasible.

5.5 Minimum Necessary Uses and Disclosures

- (a) **Minimum Necessary Standard.** Business Associate shall limit its use and disclosure of PHI to the "minimum necessary," as set forth in guidance that the Secretary will issue. From February 17, 2010 until the issuance of such guidance, Business Associate shall limit its use and disclosure of PHI, to the extent practicable, to the Limited Data Set (as that term is defined in 45 C.F.R. § 164.514

(e) (2), or, if needed, to the minimum necessary to accomplish the Business Associate's intended purpose. In the case of disclosure of PHI, the Business Associate shall determine what constitutes the minimum necessary to accomplish the intended purpose of the disclosure.

- (b) **Exceptions to Minimum Necessary Standard.** Paragraph (a) above does not apply to: (1) disclosures to or requests by a health care provider for treatment; (2) uses or disclosures made to the Individual; (3) disclosures made pursuant to an authorization as set forth in 45 C.F.R. § 164.508; (4) disclosures made to the Secretary under 45 C.F.R. part 160, subpart C; (5) uses or disclosures that are Required by Law as described in 45 C.F.R. § 164.512(a); and (6) uses or disclosures that are required for compliance with applicable requirements of 45 C.F.R. part 164, subpart E.

5.6 Access to and Accounting of Disclosures of Electronic Health Records. If and to the extent Business Associate uses or maintains an electronic health record, as that term is defined in Section 13400 of HITECH, with respect to PHI, Business Associate shall respond to requests from Individuals for an accounting of disclosures as described in §13405(c) of HITECH if, and when, required by § 13405(c) of HITECH. Business Associate acknowledges that Covered Entity will, in response to a request for an accounting by an Individual, provide a list of all business associates with contact information, as permitted by § 13405(c)(3)(B). Additionally, an Individual shall have a right to obtain a copy of an electronic health record with respect to PHI in an electronic format, if the Individual chooses, and to direct Business Associate to transmit such copy to an entity or person designated by the Individual, provided the designation is clear, conspicuous and specific. Any fee for providing such electronic copy (or a summary or explanation of such information) shall not be greater than the Business Associate's labor costs in responding to the request for the copy (or summary or explanation).

5.7 Remuneration for PHI.

- (a) Except as set forth in paragraph (b) below, Business Associate shall not directly or indirectly receive remuneration in exchange for any PHI of an Individual unless the Individual provided to the Covered Entity a valid authorization in accordance with 45 C.F.R. § 164.508 that specifically authorizes the Business Associate to exchange the PHI for remuneration.
- (b) Paragraph (a) above does not apply if the purpose of the exchange is: (1) for public health activities (as described in 45 C.F.R. § 164.512(b)); (2) for research, as described in 45 C.F.R. §§ 164.501 and 164.512(i), and the price charged reflects the cost of preparation and transmittal of the data for such purpose; (3) for the treatment of the Individual, subject to any applicable regulation that the Secretary may promulgate to prevent PHI from inappropriate access, use, or disclosure; (4) for the sale, transfer, merger, or consolidation of all or part of the Covered Entity with another covered entity under 45 C.F.R. §160.103, or an entity that following such activity will be considered a covered entity, and due diligence related to such activity; (5) for remuneration that is provided by Covered Entity to Business Associate for the purpose of providing services to Covered Entity; (6) to provide an Individual with a copy of the Individual's PHI pursuant to 45 C.F.R. § 164.524; and (7) as otherwise determined by the Secretary in regulations to be similarly necessary and appropriate as the other exceptions in this paragraph (b).
- (c) This Section 2.7 is effective on the date that is six (6) months after the date of promulgation of final regulations to implement Section 13405(d) of HITECH.

5.8 Marketing Restrictions.

- (a) Business Associate shall not consider communications by Business Associate that meet the definition of marketing set forth in 45 C.F.R. § 164.501 to be part of the term health care operations as set forth in 45 C.F.R. § 164.501 (unless the communication is made as described in subparagraph (i), (ii) or (iii) of paragraph (1) in the definition of marketing set forth in 45 C.F.R. § 164.501).
- (b) Business Associate shall not consider communications by Business Associate that fall within the exceptions to the term marketing as set forth in 45 C.F.R. § 164.501(1)(i), (ii), or (iii) to be part of the term health care operations as set forth in 45 C.F.R. § 164.501 if the Business Associate receives or has received direct or indirect remuneration in exchange for making such communications, unless: (1) the communications describe only a drug or biological that is currently being prescribed for the recipient of the communication, and the payment received in exchange for making the communication is reasonable in amount, as defined by the Secretary in regulation; or (2) the communication by Business Associate is consistent with the Addendum and this Amendment.

5.9 Fundraising Limitations. Business Associate shall ensure that any fundraising communication Business Associate makes that is a health care operation as defined in 45 C.F.R. § 164.501 provides in a clear and conspicuous manner the opportunity for the recipient of the communication to elect not to receive any further such communications. Business Associate shall ensure that all Individuals electing not to receive any further such fundraising communications do not receive any further such communications.

SECTION 6 – MISCELLANEOUS

6.1 Regulatory References. A reference in this Amendment to a section in HITECH or the Code of Federal Regulations means the section as in effect or as amended, and for which compliance is required.

6.2 Modification. Business Associate and Covered entity agree to take such action as is necessary to amend this Amendment from time to time as is necessary for Covered Entity to comply with the requirements of HITECH and HIPAA.

6.3 Effect on Addendum. Except as specifically required to implement the purposes of this Amendment, or to the extent inconsistent with this Amendment, all other terms of the Addendum shall remain in full force and effect.

6.4 Interpretation. Any ambiguity in this Amendment shall be resolved in favor of a meaning that permits Covered Entity to comply with HITECH.

IN WITNESS WHEREOF, the parties have each caused this Amendment to be executed by an authorized officer, as of the date below.

Covered Entity

This ____ day of _____, _____

As plan administrator, on behalf of the _____, Dental Plan
[Company Name]

By: _____

Print Name: _____

Title: _____

Business Associate

This ____ day of _____

Delta Dental of Nebraska

By: _____

Print Name: Joseph P. Lally

Title: Vice President



Master Dental Contract Application Individually Rated Plans

PART A - COMPANY INFORMATION

Legal Company Name	City of Grand Island		
Address	100 E. 1 st Street	Phone	(308) 385-5444 ext. 111
		County	Hall
City	Grand Island	State	NE Zip Code 68801
Plan Effective Date:	October 1, 2010	Plan Benefit Year:	<input checked="" type="checkbox"/> Calendar <input type="checkbox"/> Other: _____
Total number of eligible* employees: 480			
*Eligible employees are all employees working 30 hours or more per week.			
Eligibility waiting period for new employees: First of month following: 2 calendar months of employment			
Return to work guidelines: N/A Status change (i.e. part time to full time): Standard			
Coverage Type: <input checked="" type="checkbox"/> Employee Only <input type="checkbox"/> Employee + 1 <input checked="" type="checkbox"/> Employee + Sp <input checked="" type="checkbox"/> Employee + Child(ren) <input checked="" type="checkbox"/> Family			
Participation Requirements: <input type="checkbox"/> Employee/Dependent: _____ % / _____ % OR <input checked="" type="checkbox"/> As Currently Enrolled			
Does your company currently have a dental plan? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes - Name of carrier: RCI			
Length of coverage: _____			
<input type="checkbox"/> Medical Lock (include a copy of most recent medical billing statement).			

PART B - DENTAL PROGRAM - PRODUCT/NETWORK

PRODUCT	NETWORK(S)
<input type="checkbox"/> Comprehensive Standard	<input checked="" type="checkbox"/> Delta Dental PPO (PPO)
<input checked="" type="checkbox"/> Comprehensive Enhanced	<input checked="" type="checkbox"/> Delta Dental Premier (DP)
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____

PART C - PLAN DESIGN

	PPO	DP	OON	DEDUCTIBLE APPLIES		PPO	DP	OON
Diagnostic & Preventive Services	100%	100%	100%		ANNUAL DEDUCTIBLES: Individual Maximum: \$ 50 \$ 50 \$ 50 Family Maximum: \$ 150 \$ 150 \$ 150 MAXIMUMS: Annual Per Person: \$ 1500 \$ 1500 \$ 1500 Lifetime Orthodontics: \$ N/A \$ N/A \$ N/A			
Basic Services	80%	80%	80%	X				
Endodontics	80%	80%	80%	X				
Periodontics	80%	80%	80%	X				
Oral Surgery	80%	80%	80%	X				
Major Restorative Services	50%	50%	50%	X				
Prosthetic Repairs and Adjustments	50%	50%	50%	X				
Prosthetics	50%	50%	50%	X				
Traditional Orthodontic Plan Services	N/A	N/A	N/A					
<input type="checkbox"/> Dependent Child Only <input type="checkbox"/> Ages 8 through 18 <input type="checkbox"/> Other: _____								
<input type="checkbox"/> Adult and Dependent Child <input type="checkbox"/> Ages 8 through 99 <input type="checkbox"/> Other: _____								
<input type="checkbox"/> PLAN I – TRADITIONAL ORTHODONTIC PLAN SERVICES Does the prior dental plan have orthodontic coverage? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								

PART D – OPEN ENROLLMENT

Open Enrollment ☒ Annual ☒ None ☐ Other: _____

PART E - FUNDING TYPE

PART F - PAYMENT METHOD

<input type="checkbox"/> RISK The first month's premium check must accompany this completed Master Dental Contract Application. Future premium payments are due on the first of each premium month.	<input checked="" type="checkbox"/> ACH (Preferred Method)
<input type="checkbox"/> ASO Monthly (less than \$50,000 in claims processed monthly) <input checked="" type="checkbox"/> ASO Weekly (greater than \$50,000 in claims processed monthly) Administrative Fee (PEPM): <u>\$4.10</u>	<input type="checkbox"/> Wire Transfer
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Check

PART G - AGENT OF RECORD (if applicable)

Agency Name	<u>Strong Financial Resources, Inc.</u>	Broker Name	<u>Calvin Strong</u>
Address	<u>1611 10th Street</u>	Phone	<u>(402) 694-3033</u>
		Fax	<u>(402) 694-3012</u>
City	<u>Aurora</u>	State	<u>NE</u> Zip Code <u>68818</u>
		Tax ID Number	
		Note: Commissions will be paid to this TIN.	
_____ Broker Signature		_____ NE Insurance Producer License ID Number	

PART H - INSTRUCTIONS

1. Complete Master Dental Contract Application.
2. Have each employee complete and sign a Membership Enrollment Form
3. Send this completed application, completed Membership Enrollment Forms, as well as the completed ACH Form, voided check and the initial remittance (if applicable) to the following address:
Delta Dental of Nebraska, Atrium Executive Square, 11235 Davenport Street, Suite 105, Omaha, NE 68154

Group Administrator:

By signing below, I verify that the information on this application is correct and that the eligible employees are in fact employed by my company and agree to provide substantiating evidence when requested. If issued, the contract may become null and void at the option of Delta Dental if for a period of three consecutive months, or upon renewal, the number of enrolled employees becomes less than twenty-five.

Delta Dental will send a contract upon acceptance of the application and final approval of the Dental Benefit Plan Summary. The contract will indicate the effective date of coverage. The contract is effective only after Delta Dental has accepted this application and sent a contract to the group. The group administrator's signature does not cause the application to become effective as a contract. Any misrepresentations of submitted data will cause the contract, if issued, to be null and void at the option of Delta Dental.

SIGNATURE BOX

Signature of Authorized Company Official			Title	Date
Group Administrator/Future Correspondence Contact (please print)			Title	
Phone Number	Fax Number	E-mail Address		



Dale Shotkoski, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
DENTAL PLAN**

RFP DUE DATE: May 27, 2010 at 4:00 p.m.

DEPARTMENT: Human Resources

PUBLICATION DATE: May 6, 2010

NO. POTENTIAL BIDDERS: 8

SUMMARY OF PROPOSALS RECEIVED

Krull Agency, Inc.
Hastings, NE
BlueCross BlueShield

American Administrators
West Des Moines, IA
MetLife
Delta Dental of Nebraska

United Concordia Companies, Inc.
Phoenix, AZ
DentaBenefits (Mutual of Omaha)

Strong Financial Resources, Inc.
Aurora, NE
MetLife
Principal
Assurant
Guardian
Ameritas
Delta Dental

cc: Brenda Sutherland, Human Resources Director
Jeff Pederson, City Administrator
Dale Shotkoski, City Attorney

Tami Herald, HR Specialist
Mary Lou Brown, Finance Director

RESOLUTION 2010- 236

WHEREAS, the City of Grand Island advertised a request for proposal for its dental insurance; and

WHEREAS, the City received and reviewed proposals from vendors; and

WHEREAS, Delta Dental of Nebraska is the vendor recommended to provide services for the administration of the dental plan; and

WHEREAS, the proposed contract is for \$4.10 per employee per month for the contract duration of three years;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, to approve a contract with Delta Dental of Nebraska for the administration of the City's dental plan.

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Adopted by the City Council of the City of Grand Island, Nebraska, August 24, 2010.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk