



**State of Wisconsin  
Department of Employee Trust Funds  
Robert J. Conlin  
SECRETARY**

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## ***Correspondence Memorandum***

**Date:** November 16, 2016  
**To:** Group Insurance Board  
**From:** Shayna Schomber, Self-Insured Benefit Plans & Optional Plans Manager  
Office of Strategic Health Policy  
**Subject:** Uniform Dental Benefit Contract Extension

**Staff requests the Group Insurance Board approve the extension of the Administrative Services Only contract with Delta Dental of Wisconsin for two years, which extends the terms of the contract through December 31, 2019.**

Effective July 15, 2015, the Group Insurance Board (Board) entered into a contract with Delta Dental of Wisconsin for administration of the statewide Uniform Dental Benefit plan for the State and the Wisconsin Public Employers (WPE) Group Health Insurance Program. The initial contract period ends December 31, 2017 and includes the option of two 2-year extensions. The Board has authority to extend this contract as stated in Wis. Stats. § 40.03 (6) (a) 1.

The Board has requested contract extension requests be brought to the Board for decision with adequate time allowed for a thoughtful negotiation process. A renewal decision at this time would allow ETF staff sufficient time to negotiate any necessary contract changes or to rebid the contract, if warranted.

Delta Dental has proven to be reliable, proactive, and dedicated to the State of Wisconsin as a client as well as to our members. Delta Dental exceeded all quarterly performance standards for service and accuracy thus far, and continues to work collaboratively with ETF to increase member satisfaction and contain costs.

Delta Dental proposed a \$0.05 per contract per month (PCPM) increase in administrative fees beginning in 2018, which would increase the fee to \$1.14 PCPM. The number of contracts currently administered by Delta represents 93,000 employees, so the increase translates to approximately \$50,000 annually. Delta has expressed a willingness to maintain this fee beyond the two-year extension, which staff will seek to negotiate. Staff requests the Board approve one 2-year extension to extend the contract

Reviewed and approved by Lisa Ellinger, Director, Office of Strategic Health Policy

Electronically Signed 11/16/16

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with Delta Dental through December 31, 2019. Staff believes that Delta Dental has skillfully satisfied its administrative responsibilities under the contract and has been responsive to the needs of ETF and its members.

Staff will be at the Board meeting to answer any questions.

Attachment: Delta Dental Contract Renewal Letter



November 11, 2016

Shayna Schomber  
Wisconsin Department of Employee Trust Funds  
P.O. Box 7931  
Madison, WI, 53707-7931

Dear Shayna,

On behalf of all Delta Dental of Wisconsin employees, I am pleased to present our Third Party Administration of Dental Benefits renewal proposal for the State of Wisconsin Department of Employee Trust Funds (ETF).

Delta Dental of Wisconsin is proposing a multi-year TPA administration fee of \$1.14 per employee per month. This fee is guaranteed from January 1, 2018 through December 31, 2019. We will retain all service guarantees outlined in the attached Exhibit B. We will update our claims cost PEPM for 2018 no later than October 2017.

Our service team is looking forward to working with you on ETF planning and benefit information. Please let us know if you need anything additional. Thank you for doing business with us.

Sincerely,

A handwritten signature in black ink that reads "Dave Peterson".

Dave Peterson, CEBS  
Vice President of Sales and Marketing

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