



Alameda County Employees'  
Retirement Association (ACERA)

# Delta Dental Renewal Effective February 1, 2024

**ACERA Retirees Committee Meeting**

Presented on August 2, 2023  
Presented by Richard Ward and Michael Szeto

# | Agenda

**Premium Stabilization Reserve**

**DPPO Funding Arrangement**

**Renewal Monthly Premiums**

**Annualized 2024 Premiums**

**DPPO Proposed Plan Enhancements**

# Premium Stabilization Reserve

- ACERA's Premium Stabilization Reserve (PSR) increased from \$2.1M to \$2.6M for the plan year ending January 31, 2023.
- As of May 31, 2023, the PSR decreased to \$2.4M due to the resumption of routine and urgent dental care.

# DPPO Funding Arrangement

## Subscriber Only Premium (10+ Years of Service)

## Renewal Monthly Premium 2/1/2024-1/31/2025

Contract Rate

\$48.24

Subsidy from Premium Stabilization Reserve

(\$3.17)

**Billed Rate**

**\$45.07**

- Premium Stabilization Reserves (PSR) are designed to minimize fluctuation in renewal premiums when plans experience higher than projected claims
- Subsidy from the PSR is applied towards premiums for Retirees with 10+ Years of Service
- ACERA contributes towards the Subscriber Only Premium for the DPPO and DHMO plans for Retirees with 10+ Years of Service

# Renewal Monthly Premiums DPPO and DHMO Plans

Dental PPO Rates	Subscriber Enrollment <sup>(1)</sup>	Current 2/1/2023-1/31/2024	Renewal <sup>(2)</sup> 2/1/2024-1/31/2025	% Change from Current
<b>&lt;10 Years of Service - Unsubsidized</b>				
Subscriber Only	251	\$74.78	\$66.37	-11.2%
Subscriber + 1	123	\$122.10	\$108.38	-11.2%
Subscriber and 1 or more dependents	7	\$196.39	\$174.32	-11.2%
<b>10+ Years of Service - Subsidized</b>				
<b>Contract Rates</b>				
Subscriber Only	5,769	\$54.35	\$48.24	-11.2%
Subscriber + 1	2,647	\$102.43	\$90.92	-11.2%
Subscriber and 1 or more dependents	277	\$178.02	\$158.01	-11.2%
<b>Billed Rates <sup>(3), (4)</sup></b>				
Subscriber Only	5,769	\$51.24	\$45.07	-12.0%
Subscriber + 1	2,647	\$99.32	\$87.75	-11.6%
Subscriber and 1 or more dependents	277	\$174.91	\$154.84	-11.5%

DHMO Rates	Subscriber Enrollment <sup>(1)</sup>	Current 2/1/2023-1/31/2024	Renewal <sup>(2)</sup> 2/1/2024-1/31/2025	% Change from Current
<b>&lt;10 Years of Service</b>				
Subscriber Only	14	\$31.05	\$31.05	0.0%
Subscriber + 1	4	\$45.51	\$45.51	0.0%
Subscriber and 1 or more dependents	0	\$63.00	\$63.00	0.0%
<b>10+ Years of Service</b>				
<b>Contact Rates <sup>(3)</sup></b>				
Subscriber Only	218	\$22.18	\$22.18	0.0%
Subscriber + 1	71	\$36.64	\$36.64	0.0%
Subscriber and 1 or more dependents	21	\$54.13	\$54.13	0.0%

(1) Subscriber enrollment was provided by ACERA for the month of July 2023.

(2) Rates are in the first year of a 2-year rate guarantee from February 1, 2024 through January 31, 2026.

(3) ACERA contributes towards the Subscriber Only premium for the DPPO and DHMO plans for Retirees with 10+ Years of Service.

(4) Premiums for all coverage tiers receive a monthly subsidy of \$3.17, from the Premium Stabilization Reserve.

# Annualized 2024 Premiums DPPO and DHMO Plans

DPPO Plan	Current 2/1/2023-1/31/2024	Renewal <sup>(1)</sup> 2/1/2024-1/31/2025	% Change from Current
<b>&lt;10 Years of Service - Unsubsidized</b>			
Retiree Contribution	\$422,000	\$375,000	-11.1%
ACERA Contribution <sup>(2)</sup>	\$0	\$0	N/A
<b>Total Annualized Premium</b>	<b>\$422,000</b>	<b>\$375,000</b>	<b>-11.1%</b>
<b>10+ Years of Service - Subsidized</b>			
Retiree Contribution	\$1,938,000	\$1,720,000	-11.2%
ACERA Contribution <sup>(2)</sup>	\$5,345,000	\$4,702,000	-12.0%
<b>Total Annualized Premium</b>	<b>\$7,283,000</b>	<b>\$6,422,000</b>	<b>-11.8%</b>
<b>All Retirees</b>			
Retiree Contribution	\$2,360,000	\$2,095,000	-11.2%
ACERA Contribution <sup>(2)</sup>	\$5,345,000	\$4,702,000	-12.0%
<b>Total Annualized Premium</b>	<b>\$7,705,000</b>	<b>\$6,797,000</b>	<b>-11.8%</b>

DHMO Plan	Current 2/1/2023-1/31/2024	Renewal <sup>(1)</sup> 2/1/2024-1/31/2025	% Change from Current
<b>&lt;10 Years of Service - Unsubsidized</b>			
Retiree Contribution	\$7,000	\$7,000	0.0%
ACERA Contribution <sup>(2)</sup>	\$0	\$0	N/A
<b>Total Annualized Premium</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>0.0%</b>
<b>10+ Years of Service - Subsidized</b>			
Retiree Contribution	\$20,000	\$20,000	0.0%
ACERA Contribution <sup>(2)</sup>	\$83,000	\$83,000	0.0%
<b>Total Annualized Premium</b>	<b>\$103,000</b>	<b>\$103,000</b>	<b>0.0%</b>
<b>All Retirees</b>			
Retiree Contribution	\$27,000	\$27,000	0.0%
ACERA Contribution <sup>(2)</sup>	\$83,000	\$83,000	0.0%
<b>Total Annualized Premium</b>	<b>\$110,000</b>	<b>\$110,000</b>	<b>0.0%</b>

<sup>(1)</sup> Rates are in the first year of a 2-year rate guarantee from February 1, 2024 through January 31, 2026.

<sup>(2)</sup> ACERA contributes towards the Subscriber Only premium for the DPPO and DHMO plans for Retirees with 10+ Years of Service.

*The projections in this report are estimates of future costs and are based on unaudited information available to Segal Consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.*

# Annualized 2024 Premiums DPPO and DHMO Plans (Combined)

DPPO & DHMO Plans	Current 2/1/2023-1/31/2024	Renewal <sup>(1)</sup> 2/1/2024-1/31/2025	% Change from Current
<b>&lt;10 Years of Service - Unsubsidized</b>			
Retiree Contribution	\$429,000	\$382,000	-11.0%
ACERA Contribution <sup>(2)</sup>	\$0	\$0	N/A
<b>Total Annualized Premium</b>	<b>\$429,000</b>	<b>\$382,000</b>	<b>-11.0%</b>
<b>10+ Years of Service - Subsidized</b>			
Retiree Contribution	\$1,958,000	\$1,740,000	-11.1%
ACERA Contribution <sup>(2)</sup>	\$5,428,000	\$4,785,000	-11.8%
<b>Total Annualized Premium</b>	<b>\$7,386,000</b>	<b>\$6,525,000</b>	<b>-11.7%</b>
<b>All Retirees</b>			
Retiree Contribution	\$2,387,000	\$2,122,000	-11.1%
ACERA Contribution <sup>(2)</sup>	\$5,428,000	\$4,785,000	-11.8%
<b>Total Annualized Premium</b>	<b>\$7,815,000</b>	<b>\$6,907,000</b>	<b>-11.6%</b>

(1) Rates are in the first year of a 2-year rate guarantee from February 1, 2024 through January 31, 2026.

(2) ACERA contributes towards the Subscriber Only premium for the DPPO and DHMO plans for Retirees with 10+ Years of Service.

*The projections in this report are estimates of future costs and are based on unaudited information available to Segal Consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.*

# DPPO Proposed Plan Enhancements

## Monthly Premiums

DPPO Plan	Current Plan - Benefit Maximum of \$1,300	Option 1 - Increase Benefit Maximum to \$1,500		Option 2 - Increase Benefit Maximum to \$1,750		Option 3 - Increase Benefit Maximum to \$1,900	
	Monthly Rates	Proposed Monthly Rates	% Change from Current	Proposed Monthly Rates	% Change from Current	Proposed Monthly Rates	% Change from Current
<b>&lt;10 Years of Service - Unsubsidized</b>							
Single	\$74.78	\$70.02	-6.4%	\$73.07	-2.3%	\$74.60	-0.2%
Two-Party	\$122.10	\$114.34	-6.4%	\$119.33	-2.3%	\$121.82	-0.2%
Family	\$196.39	\$183.91	-6.4%	\$191.93	-2.3%	\$195.94	-0.2%
<b>10+ Years of Service - Subsidized</b>							
<b>Contract Rates</b>							
Single	\$54.35	\$50.89	-6.4%	\$53.11	-2.3%	\$54.22	-0.2%
Two-Party	\$102.43	\$95.92	-6.4%	\$100.10	-2.3%	\$102.19	-0.2%
Family	\$178.02	\$166.70	-6.4%	\$173.97	-2.3%	\$177.60	-0.2%
<b>Blended Rates</b>							
Single	\$51.24	\$47.72	-6.9%	\$49.94	-2.5%	\$51.05	-0.4%
Two-Party	\$99.32	\$92.75	-6.6%	\$96.93	-2.4%	\$99.02	-0.3%
Family	\$174.91	\$163.53	-6.5%	\$170.80	-2.3%	\$174.43	-0.3%
<b>Projected Annual DPPO Premium</b>	<b>\$7,705,000</b>	<b>\$7,188,000</b>		<b>\$7,516,000</b>		<b>\$7,680,000</b>	
\$ Change from Current Plan		(\$517,000)		(\$189,000)		(\$25,000)	
% Change from Current Plan		-6.7%		-2.5%		-0.3%	
<b>Annual ACERA Contributions</b>	<b>\$5,345,000</b>	<b>\$4,978,000</b>		<b>\$5,210,000</b>		<b>\$5,325,000</b>	
\$ Change from Current Plan		(\$367,000)		(\$135,000)		(\$20,000)	
% Change from Current Plan		-6.9%		-2.5%		-0.4%	

The projections in this report are estimates of future costs and are based on unaudited information available to Segal Consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.