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WOODBURY COUNTY HUMAN RESOURCES DEPARTMENT

TO: Woodbury County Board of Supervisor
FROM: Ed Gilliland, Human Resources Director
Gloria Mollet, Human Resources Assistant Director
g.mollet
SUBJECT: County Employee Benefits-Dental
DATE: October 30, 2014

We ask for discussion and action on the proposed 2015 renewal for the Woodbury County Employee Dental Insurance with Delta Dental.

Thank You

Per our conversation this morning, I wanted to outline the options related to passing mental health parity testing for Woodbury County. As we discussed, when the plan was tested as part of the renewal (including the office level benefit where if an exam is billed the copay applies, if an exam is not billed then it is deductible/coinsurance) our actuaries determined that the current benefit would not meet mental health parity. As you know, they are required to test the mental health benefits against the rest of the medical benefits offered under the plan. For each of the 6 areas of testing, the mental health benefit must pay at the same level for "substantially all" benefits under the rest of the plan. Substantially all equates to 66 2/3% of the benefits. The way the current office level copay is assigned for the rest of the benefits, 50% of the time a copay is taken and 50% of the time deductible/coinsurance applies, meaning there is not a way under office level mental health to meet the substantially all test with any level of member cost share applying to office mental health. We have two options:

- Waive all member cost share for office mental health (we currently waive deductible/coinsurance, this would now waive any applicable copays as well).
- Woodbury County would have the option to put in writing to Wellmark that they believe the plan meets mental health parity standards and we will leave the benefit as it stands today.