



Adopted: October 26, 2009
Last Amended: April 9, 2019

MEMORANDUM OF UNDERSTANDING DENTAL PROGRAM

This Memorandum of Understanding (hereinafter “Memorandum”) is entered into by and between the Public Risk Innovation, Solutions, and Management (hereinafter “PRISM”) and the participating members of the Dental Program (hereinafter “Members”) that are signatories to this Memorandum.

1. **CREATION OF THE PROGRAM.** There is hereby created by this Memorandum the Dental Program (hereinafter “Program”).
2. **JOINT POWERS AGREEMENT.** Except as otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating PRISM (hereinafter “Agreement”), and all other provisions of the Agreement not in conflict with this Memorandum shall be applicable.
3. **PROGRAM COVERAGE SEGMENTS.** The Program is formed for the purpose of establishing dental coverage under the following Program coverage segments:
 - a. Self-Insured Segment
 - b. Fixed-Rate Preferred Provider Organization (PPO) Pooled Segment
 - c. Fully-Insured Dental Health Maintenance Organization (DHMO) Segment
4. **PROGRAM COMMITTEE.** The Employee Benefits Committee (hereinafter “Committee”) shall consist of nine (9) members. Except as otherwise provided herein, said Committee shall have full authority to determine all matters affecting the Program and its Members, including but not limited to, approval of new Members, premium/rate setting, addition of new Program segments and/or services, claims review, and amending the Memorandum. A majority of members of the Committee must be Members of the Program.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. All actions of the Committee shall require the affirmative vote of a majority of the members of the Committee.

Except as otherwise provided herein, the Committee shall be authorized to do such acts as are reasonably necessary to further the purposes of this Memorandum and implement its provisions. The Committee may delegate any or all of this authority as deemed appropriate.

The Committee, when necessary to fulfill the purposes of this Memorandum, shall meet at the call of the Chair of the Committee as provided in Article 12 of the Agreement and Article VI of the Bylaws of PRISM (hereinafter referred to as the “Bylaws”). Any meeting of the Committee shall be subject to the applicable

provisions of Government Code §54950 et seq., commonly known as the “Brown Act.”

5. **PREMIUM.** Participating Member rates/premiums shall be established by the Dental Program carriers in consultation with the Program underwriters, actuaries, and the Committee. The participating Members, in accordance with the Program premium provisions of Article 14 of the Agreement, shall be assessed an annual premium for the purpose of funding the Program in which they participate. Premiums will vary based on Member segment participation, benefit plan coverage, Member employee/retiree participation, and claims experience.
6. **MEMBERSHIP.** Membership in the Program consists of participation in one or more of the following:
 - a. A “Self-Insured” Member is defined as a Member who participates in the group purchase Program for administrative services only and is fully responsible for their own dental program; and/or
 - b. A “Fixed-Rate PPO” Member is defined as a Member who joins the Program and is part of the self-insured Fixed-Rate PPO pool; and/or
 - c. A “Fully-Insured DHMO” Member is defined as a Member who joins the Program and is part of the fully insured DHMO pool.
7. **PROGRAM PARTICIPATION.** Adoption of this Memorandum by a Member allows for participation in the Program. Participation in the Program may be in one or more of the following segments; the Self-Insured Pool, the Fixed-Rate PPO Pool, and/or the DHMO pool. A Member shall be entitled to participate in the Program until they have withdrawn in accordance with the provisions of paragraph 16 of this Memorandum.
8. **RENEWALS.** All Program renewal rate action will be approved by the Committee with assistance from Program underwriters, actuaries, and Dental Program carriers. Fixed-Rate PPO Pool Members that have Legacy Premium Stabilization Funds (see paragraph 10.a.) may use those funds to offset renewal rate increases.
9. **BILLINGS AND LATE PAYMENTS.** Billing dates, payment due dates, and any late fees and/or penalties will be set by the Committee. All Members will receive separate notification of any changes in due dates and/or penalty fees at least thirty (30) days prior to the effective date of any such change.

Notwithstanding any other provisions to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Committee, any Member that fails to pay an invoice when due and as billed may be given a ten (10) day written notice of cancellation.

10. **PREMIUM STABILIZATION FUNDS.** Premium Stabilization Funds as set forth apply only to Fixed-Rate PPO segment Members.
 - a. Legacy Premium Stabilization Fund. Delta Dental Members who are fully insured with Delta Dental are required to have their stabilization funds (if any) transferred to PRISM upon entry into the Fixed-Rate PPO Program segment. These funds will be accounted for individually for the Member's use. The Member may use their Legacy Premium Stabilization Funds to buy down their renewal or request a full disbursement from PRISM. If the Member leaves the Program with a fund balance remaining, those funds remain in the Program and the Member has no equity rights to those funds
 - b. Program Premium Stabilization Fund. The Program Stabilization Fund shall consist of accumulated excess reserves (in excess of the required Incurred But Not Reported (IBNR) and Claims Fluctuation Margin (CFM) requirements) generated by the Program with all years combined on a go forward basis. The Committee shall have authority to determine the use of these funds. These funds are not Member specific and they are separate from the Legacy Premium Stabilization Funds.
11. **STABILIZATION INTEREST.** Interest generated by both premium stabilization funds are available for the Committee to use for any purpose, including administrative fees, rate offsets, or claim payments.
12. **DIVIDENDS AND ASSESSMENTS (Applicable to Fixed-Rate PPO Members Only).** Should the Fixed-Rate PPO Program segment not be adequately funded for any reason, pro-rata assessments to the Members may be utilized to ensure the approved funding level for applicable policy periods. Any assessments, which are deemed necessary to ensure approved funding levels, shall be made upon the approval of the Committee in accordance with the following:
 - a. Any dividends or assessments shall be based upon the preceding three (3) years' of percentage of contributions for losses for Fixed-Rate PPO Pooled Members only.
 - b. Self-Insured and DHMO segments are not eligible for dividends or assessments.
13. **APPROVAL OF NEW MEMBERS – APPLICATION TO THE PROGRAM.** Any public entity wishing to become a Member of the Program shall make application to and be approved by a majority vote of the Committee in a manner prescribed by them. The Committee has developed underwriting guidelines that outline specific criteria for accepting new Members. Program underwriting guidelines are available by request to PRISM.

14. **COVERAGE DOCUMENTS.** Coverage documents shall be issued by the Dental Program carriers to each individual Member. Coverage shall be governed in accordance with these documents. Any changes to the benefits, as determined by the Member, are subject to the Dental Program carriers, Committee, actuarial, and/or other consultants' pricing requirements.
15. **CLAIMS ADMINISTRATION.** The Committee shall authorize the retention of the services of dental carriers to provide claims services for the Program.
16. **WITHDRAWAL.** Withdrawal of a Member from the Program shall be as follows:
 - a. Fixed-Rate PPO and DHMO Pool Members. After becoming a participant in the Program, a Fixed-Rate PPO and/or DHMO Pool Member may withdraw from the Program at the end of a policy year only if they provide PRISM with sixty (60) days written notice prior to the end of the policy year.
 - b. Self-Insured Member. After becoming a participant in the Program, a Self-Insured Member may withdraw from the Program at the end of their specific policy year by giving PRISM sixty (60) days written notice prior to the end of their specific policy year.
17. **LIASION WITH THE AUTHORITY.** Each Member shall maintain staff to act as a liaison with PRISM and the Dental Program Carriers and between the Member and PRISM's and the Dental Program carriers' designated representative.
18. **RESOLUTION OF DISPUTES.** The Committee shall first determine any question or dispute with respect to the rights and obligations of the parties to this Memorandum; however, all final determinations shall be in accordance with Article 31 of the "Agreement."
19. **ADMINISTRATION COSTS.** PRISM shall be entitled to assess annual administration costs associated with the Program. Administrative costs for the Program shall be determined through PRISM's budget process. The source of the funds for the Program will be administrative charges, interest earnings, or a combination of both.
20. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the Members.
21. **SEVERABILITY.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

22. **AMENDMENT OF MEMORANDUM.** This Memorandum may be amended by a majority vote of the Committee upon ninety (90) days advance written notice of the proposed amendments to the Members and county counsels. Each Member shall approve of any amendment by signature on the Memorandum by a Member's designated representative, or alternate, who shall have authority to execute this Memorandum. Should a Member of the Program fail to execute any amendment to this Memorandum within the time provided by the Committee, the Member will be deemed to have withdrawn from the Program on the next annual renewal date.
23. **EFFECTIVE DATE OF AGREEMENT.** This Memorandum shall become effective on the first effective date of coverage for the Member, or upon approval by the Employee Benefits Committee of any amendment, whichever is later.
24. **EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed the Memorandum as of the date set forth below.

Dated: 8/17/23



Public Risk Innovation, Solutions, and Management
Gina Dean, Chief Executive Officer

Dated: _____

Name (printed)

Signature

Member Entity