

**CITY COUNCIL
COMMUNICATION:**

03-405

AGENDA:

AUGUST 25, 2003

SUBJECT:

REQUEST FOR
QUALIFICATIONS
FOR HEALTH,
DENTAL AND LONG-
TERM DISABILITY
INSURANCE
COVERAGES

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

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HUMAN
RESOURCES
DIRECTOR

ITEM 33

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

Solicit quotes for provision of health insurance and long-term disability insurance for benefit period beginning no later than July 1, 2004.

FISCAL IMPACT —

None

RECOMMENDATION —

Receive and File.

BACKGROUND —

Effective February 1, 2003, the City switched from a self-insured to a fully insured health insurance plan through Wellmark Blue Cross & Blue Shield of Iowa (636 Grand Ave., Des Moines, IA 50309). Wellmark also administers the City's self-insured dental plan. Wellmark's quote guaranteed rates for the period February 1, 2003 through June 30, 2004. For budgeting purposes, Wellmark was asked to project the premium increase for July 1, 2004. Their response was 32-35%.

The City also experienced a 76% increase in Long-Term Disability (LTD) premiums beginning July 1, 2003. The increase was across the board for all employee groups having the LTD benefit (MEA, CIPEC, AFSCME and SPM). High utilization has caused the premium to increase.

Because of the large budget impact, the City will undertake another RFP for the medical, prescription and dental plans as well as the LTD benefit. A committee representing each union, the SPM Board, the Police Burial Association and FORCE 1 has been assembled and will serve as the RFP evaluation committee.

Proposals will be based on the current benefit coverage as negotiated under the City of Des Moines Health Plan for both active employees and retirees. Alternate funding options ranging from self-insured to fully-insured will be solicited.

The plan is to have a recommendation by early December so it can be incorporated into the budget recommendation to the City Council.

