



**Council
Communication**
Office of the City Manager

Date

May 22, 2006

Agenda Item No. 61

Roll Call No. 06-

Communication No. 06-287

Submitted by: Thomas G. Turner, Human Resources Director

AGENDA HEADING:

Recommendation to approve Administrative Services Only (ASO) Agreement with Wellmark Blue Cross Blue Shield of Iowa (John Forsyth, CEO, Des Moines) for administration of dental claims for active and retired City of Des Moines employees.

SYNOPSIS:

Renew Administrative Services Only (ASO) agreement with Wellmark Blue Cross Blue Shield of Iowa for administration of dental insurance benefits for the period of July 1, 2006 through June 30, 2007 for active and retired City of Des Moines employees.

FISCAL IMPACT:

Amount: \$1,861,157

Funding Source: 2006-2007 Operating Budget: Human Resources Department, IS301, HRS960100, page 285

ADDITIONAL INFORMATION:

Wellmark Blue Cross Blue Shield of Iowa has administered the City's dental insurance benefit since February 2003. Through the collective bargaining process and as provided to Supervisory, Professional, Management (SPM) employees, the dental benefit has increased from \$750/person per year to \$1,000/person per year. The increased benefit result is a 13% increase in dental premiums. Wellmark increased administrative cost five cents to \$3.06 a member, a 1.6% increase.

Effective July 1, 2006, the increased dental benefit plan will be offered to all active employees and City retirees less than 65 years of age. Retirees on Medicare will maintain the current plan at current rates through December 31, 2006. They will be offered the new dental benefit as part of their Medicare open enrollment in December for January 1, 2007 effective date.

FY 07 Dental Rates are \$32.40 a month for single coverage and \$83.91 a month for family coverage.

PREVIOUS COUNCIL ACTION(S):

Date: June 6, 2005

Roll Call Number: 05-1403

Action: Renewal of Administrative Services Only Agreement with Wellmark Blue Cross Blue Shield of Iowa, John Forsyth, CEO for active and retired employees with dental insurance coverage on a self-insured basis. ([Council Communication No. 05-331](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE