



# Council Communication

Office of the City Manager

<b>Date</b>	May 10, 2010
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<b>Agenda Item No.</b>	57
<b>Roll Call No.</b>	10-756
<b>Communication No.</b>	<b>10-264</b>
<b>Submitted by:</b>	<b>Tom Turner, Human Resources Director</b>

## **AGENDA HEADING:**

Approve agreement with Delta Dental of Iowa, Don Hutchins, President, 2401 SE Tones Drive, Suite 13, Ankeny, IA 50021, to provide employee and retiree administration of the City's dental insurance plan for the period July 1, 2010 through June 30, 2011.

## **SYNOPSIS:**

On behalf of the City of Des Moines, Holmes Murphy and Associates (HMA) conducted a request for proposal (RFP) for administration of a group dental plan for the plan year beginning July 1, 2010. The RFP findings and final recommendation is to award the contract to Delta Dental.

Staff recommends that Council accept the consultant's findings by authorizing the Mayor to execute a binder for administration of the City's self-insured dental benefit for active employees and retirees with Delta Dental of Iowa for the period from July 1, 2010 through June 30, 2011.

## **FISCAL IMPACT:**

Amount: \$1,709,095. The budgeted amount is \$1,780,000. The change to Delta Dental of Iowa allows the City to maintain current benefits with no increase in premiums.

Funding Source: 2010-2011 Operating Budget: Human Resources Department, Health and Dental Insurance, IS301, HRS960100, page 147.

## **ADDITIONAL INFORMATION:**

Wellmark and Delta Dental of Iowa responded to HMA's RFP for administration of the City's dental benefits. Wellmark currently administers the City's dental benefits using the Blue Dental network. Delta Dental's proposal matched current plan design and submitted a bid approximately \$200,000 less than Wellmark's. Savings from Delta Dental are made possible by their broader network with deeper discounts than Blue Dental.

Both proposals were presented to union leadership with the notice that staff would be recommending Delta Dental to Council. The plan design is unchanged from the predecessor Wellmark Blue Dental plan.

## **PREVIOUS COUNCIL ACTION(S):**

Date: December 21, 2009

Roll Call Number: 09-2298

Action: [Selection](#) of Holmes Murphy and Associates to conduct a Request for Proposals (RFP) for employee health and dental insurance and flexible spending account administration for FY2011. ([Council Communication No. 09-874](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 18, 2009

Roll Call Number: 09-927

Action: [Contract](#) with Wellmark Blue Cross Blue Shield of Iowa, for Administration Services related to the City’s self-insured Dental Plan for employees and certain retirees and affirming report of Hearing Officer on appeal of award of contract. ([Council Communication No. 09-301](#)) Moved by Hensley to adopt. Motion Carried 7-0.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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<u>Employee Group</u>	<u>7-1-2009 Plan Rates</u>		<u>7-1-2010 Plan Rates</u>		<u>Percent Difference</u>	
	<u>Single</u>	<u>Family</u>	<u>Single</u>	<u>Family</u>	<u>Single</u>	<u>Family</u>
All Active Employee Groups *Medicare Retiree rates effective 1-1-2011.	37.75	97.77	37.75	97.77	0%	0%