

COUNCIL ACTION FORM

SUBJECT: RENEWAL OF DENTAL INSURANCE ADMINISTRATOR CONTRACT

BACKGROUND:

For many years, the City has contracted with Delta Dental of Iowa to administer the Dental Insurance benefits approved by City Council for City employees and their families.

Over the past several years Delta has provided good customer service and has had a commendable record of accurate and timely claim payment. Delta also has advantageous contractual relationships with dental providers in Ames and throughout Iowa, which allows the City to receive significant discounts on services received. Added to this is the fact that Delta has a proven record of being able to administer the existing plans, and has been a willing and capable partner in our efforts to improve the health status of employees and their families through quality programs and exceptional service.

Effective July 1, 2010, Delta Dental will charge \$3.40 per covered employee per month, which is a total annual expense of \$21,460 to the City. This is an increase of approximately \$631 or 3.0% over the 2009/10 rates.

ALTERNATIVES:

1. Accept the renewal documents from Delta Dental of Iowa for administrative services for benefits effective July 1, 2010.
2. Reject the renewal from Delta Dental of Iowa.

MANAGER'S RECOMMENDED ACTION:

Over the past two decades Delta Dental of Iowa has been an effective administrator of the City's dental administrative services. Delta's services are cost-effective and they have a strong working relationship with Human Resources staff. Renewal of this contract will provide the best value to the City in administering its dental insurance program.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the renewal agreement for administrative services with Delta Dental of Iowa for the period from July 1, 2010 to June 30, 2011.