

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 City's existing dental plans. Delta has also been a willing and capable partner in our efforts to improve the health status of employees and their families through quality programs.

Effective July 1, 2015, Delta Dental will charge \$3.94 per covered employee per month, or an estimated \$25,626 annually. This is an increase of approximately \$854 or 3.4% over their 2014/15 rates. This increase was anticipated when the budget for health insurance was developed for the FY 2015/16 budget.

ALTERNATIVES:

1. Accept the renewal proposal from Delta Dental of Iowa to provide administrative services for dental benefits for the period from July 1, 2015 to June 30, 2016.
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. 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 as described above.