

**COUNCIL ACTION FORM**

**SUBJECT: DELTA 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 Dental also has advantageous contractual relationships with dental providers in Ames and throughout central Iowa, which allows the City to realize significant discounts on services received. Delta has a proven record of being able to administer the existing plans, and 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, 2017, Delta Dental's fixed fees will increase from \$4.09 per contract to \$4.24 per contract, or 3.66% from 16/17 to FY 2017/18. The total projected annual dental coverage expense of \$409,296, which includes both claims and this administration fee, is covered in the amounts budgeted for health insurance in the FY 2017/18 budget.

**ALTERNATIVES:**

1. Authorize renewal of the City's annual contract with Delta Dental of Iowa for dental benefits administrative services effective July 1, 2017.
2. Reject the renewal proposal from Delta Dental of Iowa and select another provider of these services.

**CITY 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.