

**COUNCIL ACTION FORM**

**SUBJECT:** DENTAL INSURANCE ADMINISTRATOR CONTRACT RENEWAL

**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.

If the Council supports the renewal of the contract, fees for these administrative services will increase from \$4.39 per covered person to \$4.54 per covered person (which includes City employees and their dependents). This increase represents \$1,006 or 3.4% from FY 2018/19 to FY 2019/20. The total estimated cost of this contract will be \$30,454. This increase was included in the FY 2019/20 budget.

**ALTERNATIVES:**

1. Accept the renewal documents from Delta Dental of Iowa to provide administrative services for dental benefits effective July 1, 2019.
2. Reject the renewal from Delta Dental of Iowa.

**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.