

## 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 allow the City to receive significant discounts on services received. Delta has a proven record of being able to administer the existing plans.

Effective July 1, 2012, Delta Dental will charge \$3.61 per covered employee per month, which is \$23,133 annually. This is an increase of approximately \$957 or 3% over Delta's 2011/12 rates.

#### **ALTERNATIVES:**

1. **Approve** the renewal agreement for administrative services with Delta Dental of Iowa for the period from July 1, 2012 to June 30, 2013.
2. Reject the renewal from Delta Dental of Iowa.

#### **MANAGER'S RECOMMENDED ACTION:**

Delta Dental has been an effective administrator of the City's dental administrative services for two decades. Delta's services are cost-effective, and they have maintained a cooperative working relationship with Human Resources staff.

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, 2012 to June 30, 2013.