

M Management Committee
For the Metropolitan Council meeting of October 14, 2009

Item: 2009-336

ADVISORY INFORMATION

Date Prepared: September 28, 2009

Subject: Authorization to Award Dental Insurance Contract

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to negotiate and enter into a contract for the fully insured dental plan for the period of January 1, 2010, through December 31, 2012.

Summary of Committee Discussion / Questions:

Chris Piehowski and Sandi Blaeser presented the final dental insurance offer from HealthPartners to the Committee, which is an increase of 5.25% for 2010, 6% for 2011, and 7% for 2012. There was brief discussion about the cause for an increase. Trend (which is a combination of inflation, cost of new technology, change in provider fee schedules, etc) paired with the limited risk imposed by the \$2000 per person plan maximum keeps the increases lower than the Council experiences with the medical insurance. There was some discussion regarding the idea that singles should share in the premium, which would need to be negotiated for represented employees.

The Committee approved authorizing the Regional Administrator to negotiate and enter into a contract for the fully insured dental plan for the period of January 1, 2010, through December 31, 2012.

M Management Committee

Meeting date: September 23, 2009

ADVISORY INFORMATION

Date:	September 11, 2009
Subject:	Authorization to award Dental Insurance contract
District(s), Member(s):	All
Policy/Legal Reference:	None
Staff Prepared/Presented:	Chris Piehowski, Benefits Specialist, and Sandi Blaeser, Assistant Director, Employee Relations
Division/Department:	Human Resources

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and enter into a 3 year contract (1/1/2010-12/31/2012) for dental Insurance with HealthPartners.

Background

In July 2009, the Council issued a request for proposal (RFP) for dental coverage. We received responses from three carriers, HealthPartners (incumbent), MetLife, and Delta Dental.

Rationale

The RFP included the following evaluation criteria in order of importance.

- *Administrative* - Ability to administer negotiated benefits exactly as negotiated, ability to adhere to other administrative requirements, terms and conditions of proposed Group Policy Language.
- *Financials* – Premium rates, rate caps, underwriting trend rates, performance guarantees with “at-risk” premiums.
- *Ability to control future dental costs*- Provider contracting and program features.
- *Geo Access and Disruption* - Ability to meet the provider access requirements and minimize disruption
- *Electronic Capabilities* – Ability to interface with PeopleSoft, employee self-service utilizing phone and web technology, employer self-service technology, and self-billing in administration.

An evaluation panel of Council staff (HR, MT Finance, ES) reviewed the RFP responses. The panel has reached consensus and is currently involved in rate negotiation.

Funding

We will present our recommendations at the meeting on Wednesday.

Known Support / Opposition

None