

M Management Committee
Meeting date: October 10, 2012
For the Council Meeting of October 31, 2012

ADVISORY INFORMATION	
Date:	10/1/2012
Subject:	Authorization to Extend Dental Contract
District(s), Member(s):	All
Policy/Legal Reference:	None
Staff Prepared/Presented:	Sandi Blaeser, Assistant Director, Employee Relations Terri Bopp, HR Manager, Benefits
Division/Department:	Human Resources

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to extend Dental Insurance with HealthPartners for one year.

Background

In July 2009, the Council issued a request for proposal (RFP) for dental coverage. Based on those results, we entered into a 3 year (1/1/2010-12/31/2012) contract with HealthPartners. The rate guarantees were 5.75% premium increase for 2010, and caps of 6% for 2011, and 7% for 2012. The actual rate increase in 2012 was 4.93% due to a decrease in trend (which is a combination of inflation, cost of new technology, change in provider fee schedules, etc) and leveling off of utilization.

Rationale

We are moving to self funding on the medical plan in 2013. We would like to extend the fully insured dental plan for one more year and then determine if we should move to self funded for 2014. We have been offered a 1% increase in rates by HealthPartners for 2013.

Funding

2012 costs will total approximately \$4,438,476.00. A 1% increase will bring the 2013 costs to \$4,482,860.00. Contract costs are offset by active employee premium contributions ranging from 0 – 34%, and retiree contributions of 100%.

Known Support / Opposition

None