

**Management Committee**

**Meeting date: October 10, 2012**

**For the Council Meeting of October 24, 2012**

**ADVISORY INFORMATION**

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

**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% (average FT single employee contribution is 4.8%, average FT family employee contribution is 21.4%), and retiree contributions of 100%.

**Known Support / Opposition**

None