



**March 16, 2015**

**To: Mayor Bemrich and City Council**

**From: David Fierke, City Manager**  
**Jamie Anderson, Human Resource Director**

**Subject: Dental Insurance renewal**

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**ACTION: For vote Monday, March 23, 2015**

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**Brief History**

The City has renewed the various policies for health, dental, and life for several years. The City has built and maintained a strong relationship with its insurance providers allowing it to demonstrate a consistent pattern of cost containment over the years. This has allowed the City to continue to provide a quality health, life and dental insurance plans to its employees. This has been a strong factor in the ability to recruit high quality employees to meet future city demands.

**Analysis of Issue**

Maintaining a strong working partnership with our insurance plan carriers has enabled the city to continue to provide benefits at competitive levels at lower than average costs. Competitive benefit levels are necessary to continue to attract and retain quality employees.

**Budget Impact**

The cost of this dental insurance policy has been budgeted for in the 2015 - 2016 fiscal year budget. There is a zero percentage increase in the premium. This is the third year in a row with no increase to the dental premium.

**Staff Conclusions / Recommendations**

The Human Resource Director and City Manager recommend approval to renew.

**Alternatives**

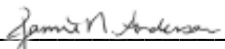
If this insurance policy is not renewed the City will be in violation of union contracts.

**Implementation and Accountability**

The Human Resource Director will implement the renewal of this insurance policy upon approval by the City Council.

Signed

Approved

  
\_\_\_\_\_  
Jamie N. Anderson  
Human Resource Director

  
\_\_\_\_\_  
David R. Fierke  
City Manager

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION EXTENDING DENTAL INSURANCE FOR THE BUDGET  
YEAR 7/1/2015 TO 6/30/2016**

**WHEREAS**, the City wishes to provide the most effective benefits to their employees; and

**WHEREAS**, the City wishes to provide programs that meet the needs of its employees.

**NOW, THEREFORE, BE IT RESOLVED**, Delta Dental Plan of Iowa be extended as the dental insurance carrier, with all the features of existing contract, for the period July 1<sup>st</sup>, 2015, to June 30<sup>th</sup>, 2016.

**BE IT FURTHER RESOLVED** that the Human Resource Director is hereby authorized and designated to enter into the appropriate contract documents to secure said coverage.

**PASSED AND ADOPTED** by the City Council of the City of Fort Dodge, Iowa, this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Other: \_\_\_\_\_

City of Fort Dodge, Iowa

\_\_\_\_\_  
Matt Bemrich, Mayor

Attest:

\_\_\_\_\_  
Jeff Nemmers, City Clerk



**City of Fort Dodge  
Group # 132  
Contract Period 7/1/15 through 6/30/16  
Financial Exhibit**

**Delta Dental Premier®**

<b>Experience Period</b>	Claims Paid 1/1/14 through 12/31/14
Claims Paid 1/1/14 through 12/31/14	\$64,359
Estimate of Incurred But Not Reported Claims	<u>\$1,990</u>
Fully Incurred Claims	\$66,349
Trend in Claims	<u>\$4,021</u>
Projected Claims Based on Current Experience	\$70,370
Claims and Enrollment Fluctuation Adjustment	<u>\$14,750</u>
<b>Projected Annual Claims Based on Current Enrollment</b>	<b>\$85,120</b>

**Fixed Fees**

Administrative Fees	
Operating Costs	\$17,953
Broker Fee	\$2,535

**Subtotal Fixed Fees** \$20,488

**Projected Annual Expense** **\$105,608**

**I acknowledge acceptance of this renewal at the rates shown above.**

Percent of Premium Contributed by Employer: Single \_\_\_\_\_ % Family \_\_\_\_\_ %

Total Employees Enrolled: \_\_\_\_\_ Total Employees Eligible: \_\_\_\_\_

\_\_\_\_\_  
Signature of Group Administrator  
Please sign and return to fax # 888-337-5157

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
Date

**Enrollment as of 12/31/14**

Single	50
Family	<u>145</u>
Total	195

**Current Rates**

Effective 7/1/14 through 6/30/15

Single	\$15.18
Family	\$55.46

**Renewal Rates**

Effective 7/1/15 through 6/30/16

Single	\$15.18
Family	\$55.46

**Renewal Percentage Change**

0.00%

# City of Fort Dodge

## 2015 Renewal Executive Summary

### Utilization Data

- 56.5% of paid claims were in preventive and diagnostic procedure categories
- Average claim payment was \$109.27 compared to prior period of \$106.13
- Utilization rate per member was 1.0 compared to prior of 1.15 claims per contract
- 97.5% of the procedures were performed by Delta Dental network dentists
- Overall Cost Management savings were 17.1% of billed charges or \$29,557
- 48.1% of members utilized the plan, compared to 55.9% in the previous period
- 0.7% of members met or exceeded their annual benefit maximum

### Benefit Comparison & Claims by Coverage Category

- Most common benefit max is \$1,000 (44% of all group plans)
- 3% of groups offer an individual deductible of something other \$25 or \$50
- 38% of groups offer orthodontic maximum of \$1,000.
- Delta Dental Large Group Book Coinsurance Levels:
  - D&P 82% offer 100%
  - Basic – 15% offer something other than 80, 90, or 100%
  - Major – 3% offer something other than 50, 60, 80, or 100%
  - Orthodontic Coinsurance – 74% offer 50% coinsurance

### Current Plan

\$1,000  
\$25  
\$1,000  
80%  
50%  
50%  
50%

### Claims by Coverage Category –City of Fort Dodge’s notable categories are:

1. Orthodontics - Up 66.0% in Amount Paid from the previous year
2. Oral Surgery - Down 51.1% in Amount Paid from previous year
3. Bridges/Dentures- Down 39.9% in Amount Paid from previous year

### 2015 Renewal Action:

- This year this group is receiving a 0% renewal action (Delta Dental 12 month trend is 4%)
- Enrollment is slightly up at 195 contracts vs. prior renewal of 193 contracts
- Projected Annual Expenses has increased= \$85,120 vs. prior renewal of \$84,827

### 2016 Renewal Options:

Anything on the horizon?