



Legislation Text

File #: 17-1929, **Version:** 1

Resolution to Approve to the City's Contract with Delta Dental Plan of Michigan, Inc., for Claims Administration Services for the City's Dental Plan, and to Authorize the City Administrator to Execute the Necessary Documentation (\$850,000)

The attached Resolution authorizes the City Administrator to execute the service contract renewing the agreement with Delta Dental Plan of Michigan for 2018 claims administrative services, and authorizes related payments to Delta Dental Plan of Michigan, Inc. for associated costs of claims.

Budget/Fiscal Impact: The necessary funds have already been appropriated as part of the FY18 approved budget through June 30, 2018. Required funding for the portion of contract term from July 1, 2018 through December 31, 2018 will be budgeted in the FY19 budget. The City estimates that benefit coverage levels will remain the same for the last half of FY18 and the first half of FY19. The estimated annual cost of this employee benefit is \$850,000.

The City is in a current contract with Delta Dental through 12/31/17. Employee labor contracts and the employee benefit plans establish the level of dental coverage for City employees. There is no change in the level of dental coverage with this renewal and payment authorization.

Prepared By: Jessica Hull, Employee Benefits Supervisor

Reviewed By: Robyn Wilkerson, Director of Human Resources and Labor Relations

Approved By: Howard S. Lazarus, City Administrator

Whereas, The City provides dental benefits to City employees and their eligible dependents in accordance with the employee benefits program and various labor contracts at an estimated annual cost of approximately \$850,000;

Whereas, The City currently contracts with Delta Dental Plan of Michigan, Inc. ("Delta Dental") to act as claims administrator for the City's self-funded dental benefit plan, which includes initial payment of costs of claims;

Whereas, The City's current Delta Dental Service Contract is due for renewal on January 1, 2018;

Whereas, The Human Resources Services recommends renewal of the Delta Dental Service Contract through the end of 2018;

Whereas, The City Attorney has reviewed and recommends execution of the renewal service contract for 2018; and

Whereas, Funds have been appropriated in the FY18 and will be budgeted in the FY19 budget, to cover projected costs associated with the provision of the dental benefit plan;

Whereas, Delta Dental of Michigan complies with the requirements of the City's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That City Council approves the renewal service contract with Delta Dental Plan of Michigan, Inc. through December 31, 2018 to administer the City's self-funded dental benefit plan; and

RESOLVED, That the City Administrator is authorized and directed to execute the necessary contract documentation after approval as to form by the City Attorney and take any further necessary administrative actions to implement this resolution.