



Legislation Details (With Text)

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Title: Resolution to Approve the City’s Contract with Delta Dental Plan of Michigan, Inc., for Claims Administration Services for the City’s Dental Plan through December 31, 2024 (\$713,834 in 2022, \$785,217 in 2023, and \$866,276 in 2024)

Sponsors:

Indexes:

Code sections:

Attachments: 1. City of Ann Arbor- Group 7600-0001-Contract eff 1-1-2022.pdf

Date	Ver.	Action By	Action	Result
1/3/2022	1	City Council	Approved	Pass

Resolution to Approve the City’s Contract with Delta Dental Plan of Michigan, Inc., for Claims Administration Services for the City’s Dental Plan through December 31, 2024 (\$713,834 in 2022, \$785,217 in 2023, and \$866,276 in 2024)

The attached Resolution authorizes the attached Delta Dental Service Contract through December 31, 2024, and authorizes related payments to Delta Dental Plan of Michigan, Inc. to administer the City’s Dental Plan and pay associated costs of claims.

Public Act 106, requires the City to competitively bid our medical, dental and vision coverage every three years. Marsh & McLennan Agency, our healthcare advisor, conducts the bidding on our behalf and recommends a service provider. We completed this bidding process for plan year 2020. Delta Dental remained the best option for dental claims processing. We did not go out to bid for this line of coverage for plan year 2022 due to Delta Dental’s proven customer service, excellent networks, and the continuation of the current rates for 2022. The City will competitively bid this dental plan for the 2023 plan year to stay in compliance with Public Act 106.

Budget/Fiscal Impact: The necessary funds were appropriated as part of the FY22 approved budget in the Risk Fund through June 30, 2022. Required funding for the portion of the contract term from July 1, 2022 through June 30, 2023 will be budgeted in the FY23 Risk Fund budget. Required funding for the portion of the contract term from July 1, 2023 through June 30, 2024 will be budgeted in the FY24 Risk Fund budget. Required funding for the portion of the contract term from July 1, 2024 through December 31, 2024 will be budgeted in the FY25 Risk Fund budget. The estimated annual cost for the calendar years of this employee benefit is \$713,834 in 2022, \$785,217 in 2023, and \$866,276 in 2024.

The City is in a current contract with Delta Dental through December 31, 2021. 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: Margaret Radabaugh, Interim Director of HR & Labor Relations

Approved By: Milton Dohoney Jr., Interim 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 \$713,834 in 2022, \$785,217 in 2023, and \$866,276 in 2024.

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, 2022;

Whereas, The Human Resources Services recommends approval of the attached Delta Dental Service Contract;

Whereas, Funds will be budgeted in the FY22, FY23, FY24, and FY25 Risk Fund budget, to cover projected costs associated with the provision of the dental benefit plan; and

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 attached Delta Dental Service Contract with Delta Dental Plan of Michigan, Inc. through December 31, 2024 to administer the City's self-funded dental benefit plan;

RESOLVED, That the City Council approve a ten percent (10%) contingency to be expendable from the Risk Fund, subject to City Administrator approval; 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 (including execution of any amendments that do not increase the City's cost) to implement this resolution.