



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, October 22, 2019																																															
Category:	NEW BUSINESS																																															
Type:	ACTION																																															
Subject:	Consider a two-year renewal with Delta Dental for 2020-2021																																															
Background Information:	<p>The City currently offers employee dental insurance through Delta Dental. Delta Dental has offered a 24-month rate lock renewal contract for 2020-2021, with a 2% premium increase. The prior premium increase for 2018-2019 was 6.39%.</p> <p>Staff are recommending the Council approve the renewal contract with Delta Dental.</p> <p>Staff have proposed, in the tables below, the same premium cost-share design as was approved on the prior renewal, an 80%/20% cost share between the Employer and Employee, respectively.</p> <p>Bill Chukuske, the City's health insurance agent, will be present to address any questions about the renewal. Staff presented this renewal information at the Council work-session on October 8, 2019.</p> <p>As a comparison to 2018-2019, the total premium rates and increases for 2020-2021 are shown below:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="text-align: center;">Plan</th> <th style="text-align: center;"># of contracts (2019)</th> <th style="text-align: center;">2018-2019 Monthly Premium Rates</th> <th style="text-align: center;">2020-2021 Renewal Monthly Premium Rates</th> <th style="text-align: center;">Monthly Premium Rate Increase % and \$</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: center;">20</td> <td style="text-align: center;">\$45.22</td> <td style="text-align: center;">\$46.12</td> <td style="text-align: center;">2% \$0.90</td> </tr> <tr> <td>Family</td> <td style="text-align: center;">70</td> <td style="text-align: center;">\$125.64</td> <td style="text-align: center;">\$128.16</td> <td style="text-align: center;">2% \$2.52</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th colspan="4" style="text-align: left;">Current (2018-2019) Cost Share Plan Design—Employer 80% and Employee 20%</th> </tr> <tr> <th></th> <th style="text-align: center;">Premium</th> <th style="text-align: center;">Employer Share</th> <th style="text-align: center;">Employee Share</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: center;">\$45.22</td> <td style="text-align: center;">\$36.18</td> <td style="text-align: center;">\$9.04</td> </tr> <tr> <td>Family</td> <td style="text-align: center;">\$125.64</td> <td style="text-align: center;">\$100.50</td> <td style="text-align: center;">\$25.14</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th colspan="4" style="text-align: left;">Proposed (2020-2021) Cost Share Plan Design—Employer 80% and Employee 20%</th> </tr> <tr> <th></th> <th style="text-align: center;">Premium</th> <th style="text-align: center;">Employer Share</th> <th style="text-align: center;">Employee Share</th> </tr> </thead> <tbody> <tr> <td>Single</td> <td style="text-align: center;">\$46.12</td> <td style="text-align: center;">\$36.90</td> <td style="text-align: center;">\$9.22</td> </tr> <tr> <td>Family</td> <td style="text-align: center;">\$128.16</td> <td style="text-align: center;">\$102.53</td> <td style="text-align: center;">\$25.63</td> </tr> </tbody> </table> <p>Staff have scheduled open enrollment meetings with employees for November 6.</p>	Plan	# of contracts (2019)	2018-2019 Monthly Premium Rates	2020-2021 Renewal Monthly Premium Rates	Monthly Premium Rate Increase % and \$	Single	20	\$45.22	\$46.12	2% \$0.90	Family	70	\$125.64	\$128.16	2% \$2.52	Current (2018-2019) Cost Share Plan Design—Employer 80% and Employee 20%					Premium	Employer Share	Employee Share	Single	\$45.22	\$36.18	\$9.04	Family	\$125.64	\$100.50	\$25.14	Proposed (2020-2021) Cost Share Plan Design—Employer 80% and Employee 20%					Premium	Employer Share	Employee Share	Single	\$46.12	\$36.90	\$9.22	Family	\$128.16	\$102.53	\$25.63
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Fiscal Impact:	The total estimated annual cost increase to the Employer is \$1,866.24.																																															

Alternative/ Variations:	None recommended.
Recommendations:	To approve the two-year Delta Dental renewal.