



Legislation Text

File #: 19-1172, **Version:** 1

City Council Meeting Date: November 5, 2019

To: Mayor and City Council
City Administrator Martig

From: Communications & Human Resources Director Mahowald

Consideration of 2020 Dental Benefits Renewal.

Action Requested:

The Northfield City Council consider a Motion approving Guardian as the dental carrier effective January 1, 2020.

Summary Report:

Met-Life is the current dental carrier. MetLife proposed a renewal of 10% premium rate increase effective January 1, 2020 (letter attached). The City offers two plan options: Low and High. The Employer pays the premium for Low plan single coverage. Full-time employees can elect Employee (single), Employee + Spouse, Employee + Child(ren), and Family coverage options.

Gallagher conducted a market analysis in October. Proposals were requested from the following carriers: Ameritas, BCBSMN, Guardian, Humana, Principal and Sun Life. Proposals from Ameritas, BCBS and Sun Life were not competitive in comparison to Guardian, Humana, MetLife, and Principal either financially or based on ability to match current plan design.

See attached presentation for details related to the analysis.

Gallagher met with the employee benefits committee on Monday, October 28. After discussion, Gallagher recommended Guardian for one year. Next year, Gallagher will conduct a formal dental proposal process after review of plan design and benefits with city staff.

- Based on current enrollments, Employer and Employees will realize savings of -27% or \$5,910 next year.
- Comparable benefits: same or better coverage between Low and High plan options.
- MetLife provided a list of dentists employees most frequently use. MetLife named 51 providers while Guardian named 58 dentists in the area. There are two dental providers not included in the Guardian network that are currently included in the MetLife network.

Alternative Options:

Continue with MetLife as the dental carrier and accept the renewal.

Financial Impacts:

The City's portion of the premium paid to MetLife is \$21,656 annually moving to Guardian based on current

enrollment the City's cost will decrease to \$15,746 annually. The actual premium paid annually to MetLife (Employer and Employee Contributions) is \$55,284 the estimated premium based on current enrollment for Guardian will be \$43,271.

Tentative Timelines:

Annual employee benefits enrollment will run November 6 - November 19 for January 1, 2020 coverage.