



Legislation Text

File #: 16-435, **Version:** 1

City Council Meeting Date: October 4, 2016

To: Mayor and City Council
City Administrator

From: Michelle Mahowald, Communications & Human Resources Manager

Consideration of MetLife Employer Sponsored Dental Benefit.

Action Requested:

The Northfield City Council consider approval of MetLife Employer Sponsored Dental Benefit.

Summary Report:

On September 15, 2016 Ochs Inc., agent, sent the attached City of Northfield UHC Dental Renewal 2017 stating the City's premium will increase 17.2%.

In anticipation of the City requesting alternative options, Ochs had received quotes from MetLife and Delta Dental. A meeting with Ochs was held on September 21, 2016 to go over both options.

After review of the cost of premium, benefit levels, and clinic network staff recommends MetLife as the employer sponsored dental carrier effective January 1, 2017.

Open enrollment for all benefit eligible employees for the January 1, 2017 effective date of change. After January 1, 2017 employees wishing to join the plan will be considered a late entrant and will experience waiting periods for services.

Employees selecting the low plan and desire to make a change to the high plan will experience waiting periods for enhanced benefits allowed with the high plan.

UHC allows a roll-over maximum benefit allowing some of the unused portion of the annual maximum may be available in future periods. MetLife does not have a roll-over maximum benefit.

MetLife low plan has additional benefit for some benefits not currently offered with UHC's low plan.

<u>Proposed 2017 Dental</u>		
<u>2016 Premiums with UHC</u>	<u>Premiums with MetLife</u>	
<u>Low Plan</u>		
Single	\$19.97	\$20.30
Employee + Spouse	\$38.91	\$38.80
Employee + Children	\$57.36	\$56.09
Family	\$74.22	\$74.22

High Plan

Single	\$43.60	\$41.70
Employee + Spouse	\$86.13	\$83.80
Employee + Children	\$99.06	\$90.06
Family	\$141.64	\$141.00

MetLife offers a 2nd year rate cap. Rates will not be increased by more than 6% in 2018.

Financial Impacts:

Employer share will stay about the same as 2016 depending on employee enrollment in dental plans.

Alternative Options:

Continue with UHC dental benefits effective January 1, 2017 at a rate increase of 17.2%.

Tentative Timelines:

Ochs, Inc. will attend our annual employee benefits fair on November 1, 2016 to assist with the enrollment process.