

Legislation Text

File #: 19-4184, **Version:** 2

RFP No. 2019-067 - Group Dental Insurance.

(Authorize the City Manager to finalize and execute a master application with CIGNA effective January 1, 2020. The term of this contract is for a three-year period with one additional two-year renewal option, subject to annual appropriation of sufficient funds.)

The City of Mesquite issued a Request for Proposal for Group Dental Insurance effective January 1, 2020, due to current plan expiration. The City received seven bids for dental insurance including one from the City's current carrier, CIGNA. All bids were reviewed by the City's benefits consultants, Holmes Murphy, and McGriff, Seibels & Williams, in which finalists were selected and best and final offers were solicited.

The City provides group dental insurance with a DHMO and DPPO option to all active, full-time employees and retirees. The dental policy is fully insured with shared returns (participating policy with no deficit carry forward). The current policy includes a wellness incentive increasing the coinsurance for an enhanced benefit. Employees share a cost of the dental premiums while retirees pay the full premium.

CIGNA is the current dental insurance provider and provided the most competitive proposal overall with the lowest increase in rates matching the current plans and best dental network. CIGNA's best and final proposal results in a five percent increase to the DHMO and DPPO with rates guaranteed for three years.

There is an option to renew for an additional two years provided that both parties are in mutual agreement of the terms and rates.

Financial Implications

With CIGNA's five percent increase to the dental rates, premiums are estimated to increase approximately \$35,000 in 2020 from \$834,100 to \$869,100.

Recommended/Desired Action

Staff recommends approval of the contract.

Attachment(s)

Finalist Proposal Summaries

Drafter

Rick French

Head of Department

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