

Executive Summary

Board of Governors Meeting, September 23, 2020

Contract for Dental and Insurance Coverage

Topic

This Action Item requests Board approval of a new contract with Citizens incumbent provider of Dental Insurance Coverage programs, MetLife.

The new contract will take effect January 1, 2021 through December 31, 2021.

History

MetLife is the incumbent provider and their current contract with Citizens for Dental Insurance Coverage concludes on December 31, 2020. A new contract with MetLife was competitively priced on behalf of Citizens by its Benefits Consultant, Mercer Health & Benefits, LLC.

The duration of the contract is for a one-year period due to the uncertainty of the external environment. Mercer's advice was that the current situation and external environment may affect Citizens prospects to obtain satisfactory long-term contractual terms. Mercer advised that pricing and other terms are likely to be more favorable after MetLife and other carriers better understand how the current situation will affect them.

For its part, MetLife offered more favorable terms for the new, one-year contract, which is effective January 1, 2021 through December 31, 2021. The contract is estimated to be a 2% reduction from 2020 rates, a savings of approximately \$18,000.

Estimated total cost of Dental Insurance Coverage through MetLife for the contract period of January 1, 2021 through December 31, 2021, is approximately \$846,208.

Citizens and its Employees both share in the contribution level cost at 85/15 percent:

- Citizens estimated cost \$729,297
- Employees estimated cost \$116,911

The actual total amount expended will be a function of employee enrollment in the MetLife Dental plan.

Recommendation

It is recommended that the Board of Governors:

- a) Approve the one-year contract with MetLife at an estimated cost to Citizens of \$846,208 as described in this Action Item; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

ACTION ITEM

Board of Governors Meeting, September 23, 2020

- | | |
|---|---|
| <input checked="" type="checkbox"/> Contract – New | <input type="checkbox"/> Committee or Board Minutes |
| <input type="checkbox"/> Contract – Amendment of Contract Terms | <input type="checkbox"/> Product Changes |
| <input type="checkbox"/> Contract – Additional Spend | <input type="checkbox"/> Other _____ |

Contract ID	DENTAL INSURANCE COVERAGE Contract Number: 2020500200 Recommended Vendor: METLIFE
Budgeted Item	<input checked="" type="checkbox"/> Yes continuation of services <input type="checkbox"/> No Funding to be included in the Annual Operating Budget for each respective contract term year.
Procurement Method	As a fully insured product, this coverage is placed through our competitively procured insurance broker, Mercer Health & Benefits, LLC (Mercer). The incumbent provider of this coverage is MetLife whose current contract expires on December 31, 2020. Mercer negotiated on Citizens' behalf and obtained competitive quotes. Mercer's recommendation is to continue employee Dental Insurance Coverage for 2021 with MetLife. This quote estimates the amount for one-year coverage for Dental Insurance Coverage.
Contract Amount	Estimated cost of Dental Insurance Coverage through MetLife for the contract period of January 1, 2021 through December 31, 2021, is approximately \$846,208. <ul style="list-style-type: none">• Citizens estimated cost \$729,297• Employees estimated cost \$116,911
Contract Term(s)	Base Term: January 1, 2021 through December 31, 2021
Purpose/Scope	This Action Item requests approval for a contract award for MetLife to provide dental insurance needed for the Preferred Provider Organization (PPO) dental plan program to be offered to Citizens' employees, effective January 1, 2021. Employee participation will be determined during the 2021 open enrollment period and total cost will be a function of the enrollment in the MetLife Dental plan.

ACTION ITEM

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Recommendation	<p>This Dental Insurance Coverage Action Item will be presented at the Citizens Board of Governors on September 23, 2020 and will be reported on during the September 23, 2020 Citizens Board of Governors' meeting.</p> <p>Recommendation:</p> <ul style="list-style-type: none">a) Approve a contract with MetLife for an initial term of one year, beginning on January 1, 2021 and ending on December 31, 2021 for an estimated amount not to exceed \$846,208, depending upon employee enrollment, as set forth in this Action Item; andb) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Contacts	<p>Violet Bloom, Chief Human Resources Officer</p> <p>James Taylor, Director, Total Rewards</p>