

Executive Summary

Board of Governors Meeting, September 21, 2022

Dental Insurance Coverage

Topic

Citizens staff is requesting approval of a new contract with Blue Cross and Blue Shield of Florida (Florida Blue) for Dental Insurance Coverage. The base term of the contract will be three (3) years with no renewal terms. The total contract amount for the three (3) year term is estimated at \$3,592,900 which is based upon per employee per month fees. The employee enrollment will fluctuate over the term of the contract and could impact the estimated total cost.

History

Mercer Health & Benefits, LLC (Mercer), Citizens' benefits consultant, completed a survey with several national carriers for dental insurance. This survey resulted in quotes ranging from rate decreases of -0.02% to increases up to 2.38% (based on the \$5,000 annual maximum level) for policies starting January 1, 2023. Mercer recommends that Citizens execute a three (3) year contract with Florida Blue for dental coverage through December 31, 2025.

Citizens is projected to have 1,364 full-time eligible employees as of January 1, 2023. MetLife is the current provider under a one (1) year contract for Dental Insurance Coverage which expires on December 31, 2022.

This recommendation to execute a new three (3) year contract with Florida Blue will result in a guaranteed rate (which did not increase from last year's contract amount with MetLife) for the first two years of the contract. A rate increase, based on claims experience, not to exceed 5%, was negotiated for the third year of the contract term. In addition to a strong provider network to meet Citizens employees' dental provider needs, Florida Blue will provide a one-month ASO fee waiver for the medical and prescription plan.

The spend authority requested from the board for the contract term of January 1, 2023, through December 31, 2025, is approximately \$3,592,900. This cost assumes 1,364 participating employees. The numbers used to project contract spend are based upon the presumption of 1,364 employees with full participation. However, the participation rate will not be determined until after the open enrollment period for each calendar year of coverage. As well, employee participation counts will change during each contract year. This method of projection will allow for flexibility for the term of the contract.

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Recommendation

Citizens' Staff proposes that the Board of Governors:

- a) Approve a contract (Agreement Number 22-22-5003-00) with Florida Blue to provide dental insurance for a three (3) year term, for an estimated amount of \$3,592,900, which is based on a PEPM administrative fee and depends on actual employee enrollment; and,
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

Dental Insurance Coverage

ACTION ITEM

New Contract

Contract Amendment

Other _____

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval _____

Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Dental Insurance Coverage
Purpose/Scope	This Action Item requests approval for a contract award for Florida Blue to provide dental insurance needed to be offered to Citizens' employees, effective January 1, 2023. Employee participation will be determined during each annual open enrollment period for coverage during the contract term, and total cost will be a function of the enrollment in Florida Blue Dental Insurance.
Contract ID	Dental Insurance Coverage Contract Number: 22-22-5003-00 Recommended vendor: Blue Cross and Blue Shield of Florida (Florida Blue)
Budgeted Item	<input checked="" type="checkbox"/> Yes <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 offered to Citizens employees and families, this dental coverage is placed through our competitively procured insurance broker, Mercer Health & Benefits, LLC (Mercer).

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Contract Amount	The estimated cost of Dental Insurance Coverage through Florida Blue for the contract period of January 1, 2023, through December 31, 2025, is approximately \$3,592,900. This cost assumes 1,364 participating employees.
Contract Terms	The requested three (3) year contract term will be effective from January 1, 2023, through December 31, 2025.
Board Recommendation (DOES NOT go through Committee)	Citizens' Staff proposes that the Board of Governors: <ul style="list-style-type: none"> a) Approve a contract (Agreement Number 22-22-5003-00) with Florida Blue to provide dental insurance for a three (3) year term, for an estimated amount of \$3,592,900, which is based on a PEPM administrative fee and depends on actual employee enrollment; and, b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Contacts	Violet Bloom, Chief Human Resources Officer James Taylor, Director, Total Rewards