



Department of Employee Relations

September 14, 2017

Tom Barrett
Mayor

Maria Monteagudo
Director

Renee Joos
Employee Benefits Director

Nicole Fleck
Labor Negotiator

Aldерwoman Milele Coggs, Chairwoman
City of Milwaukee Common Council Finance and Personnel Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

File No: 170342 Resolution authorizing DER to execute 2018 Dental Provider Contracts

Dear Alderwoman Coggs and Finance Committee Members:

File number 161410 authorized the Department of Employee Relations (DER) to complete a request for proposal (RFP) process for dental providers for 2018. The contracts with the current providers began January 1, 2014 and end December 31, 2017. The City of Milwaukee currently provides dental benefits to employees by offering three different dental plan options. There are two pre-paid HMO style plans with a limited number of dental providers and most services are covered at 100% without an annual maximum. The City also offers a fee-for-service PPO style plan which offers employees a larger provider network, but members pay for a portion of the services and there is an annual maximum in place.

The City contributes a fixed amount of the total dental premium and works to limit increases to the employee share by issuing periodic RFPs to ensure high quality benefits at a competitive rate. While the DER intended to collaborate with Milwaukee Public Schools (MPS) on the RFP process, MPS decided not to bid their dental plans for 2018 and the RFP was executed for just the City of Milwaukee.

The RFP requested that responders match the current plans whenever possible, offer competitive rates and include coverage for several procedures that are currently paid as primary under the medical plan but are typically paid as primary under the dental plan. A review team including representatives from the DER and the budget office met with Willis Towers Watson, the City's benefits consultant, to review and evaluate the RFP responses. A detailed report and appendix attached to this file provide an overview of the process and the responses.

Upon completion of the review process, the DER is recommending that Delta Dental replace the current MetLife fee-for-service plan. Delta Dental has a large network of providers and offered competitive rates that are 10% below MetLife's. In addition, Delta Dental guaranteed their rates for two years.



For the two pre-paid HMO style plans, DER is recommending that the City enter into new contracts with CarePlus and Delta Dental. CarePlus offered a modest increase for 2018, agreed to add implant coverage at 50% and lowered their not to exceed rate for 2019. Delta Dental closely matched the current Anthem DentalBlue Plan with some modifications, offered rates 12.7% below the current rates and guaranteed those rates for two years. In addition, members will not have to pre-select a dental clinic at the beginning of the year with the Delta Dental plan.

The review team believes the arrangements outlined above provide City employees with three different quality dental plan options at competitive rates. The DER recommends that the Finance and Personnel Committee approve the file and allow DER to enter into a three year contract with CarePlus and Delta Dental with the option to extend each contract for up to two years.

I am happy to answer any questions or comments regarding this file.

Sincerely,
Renee Joos
Employee Benefits

CC: Ellen Tangen, City Attorney's Office
Dennis Yaccarino, Budget Office

