



Department of Employee Relations

June 24, 2020

Alderman Michael Murphy, Chairman
City of Milwaukee Common Council Finance and Personnel Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

Tom Barrett
Mayor

Maria Monteagudo
Director

Renee Joos
Employee Benefits Director

Nicole Fleck
Labor Negotiator

File No: 200221 Resolution authorizing DER to extend Dental Insurance Contracts

Dear Alderman Murphy and Finance Committee Members:

File #170342 authorized the City of Milwaukee to execute dental insurance contracts with CarePlus Dental and Delta Dental, to provide dental benefits to employees. The initial contract period is for three years, and ends on December 31, 2020 with the option to extend the contracts for two additional years. After receiving preliminary rate projections for a two year extension option from CarePlus and Delta Dental at the beginning of 2020, the Department of Employee Relations (DER) felt it was prudent to execute a RFP process and received approval from the Finance and Personnel Committee to move ahead with the RFP.

However, given the current situation with the COVID-19 pandemic and uncertainties with the fall open enrollment process, the DER is trying to minimize disruptions to employee benefits as much as possible for the following year. The DER worked with Gallagher Benefits Services, the City's benefits consultant, to obtain more competitive rate agreements from Delta Dental and CarePlus Dental with rate guarantees for the next two years. Delta Dental premium rates will remain flat with no increases and CarePlus Dental rates will decrease 5 percent. The City contributes a fixed amount of the total dental premium and the net cost to the City for the contract extension will remain flat.

CarePlus and Delta Dental continue to provide good coverage options for City employees as well as excellent customer service and both carriers have offered competitive rate guarantees for the next two years. The DER recommends extending the current contracts with CarePlus and Delta Dental through December 31, 2022. The DER will work with Gallagher Benefits Services in 2022 to execute a Request for Proposal process for dental insurance carriers for a new contract beginning January 1, 2023. The DER recommends that the Finance and Personnel Committee approve the file for a two year contract extension for dental insurance benefits.

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

Sincerely,
Renee Joos
Employee Benefits

