



City of Keller

Keller Town Hall
1100 Bear Creek Parkway
Keller, TX 76248
817-743-4000
www.cityofkeller.com

Legislation Text

File #: 18-195, **Version:** 1

To: Mark R. Hafner, City Manager

From: Kandace M. Tappen, Director of Human Resource & Risk Management

Subject:

Consider a resolution authorizing the City Manager to execute the Letter of Understanding with Cigna for City of Keller Employee Dental Insurance Renewal, from October 1, 2018 through September 30, 2019.

Action Requested:

The intent of this Agenda Item is to seek approval from the City Council for the City Manager to enter into a contract with Cigna for Dental Insurance coverage for FY 2018-19.

Background:

The City's current dental insurance plan provider, MetLife, requested a 34% increase in premiums for FY 2018-19. After several unsuccessful attempts to obtain a rate pass from MetLife, Staff requested the City's broker to submit a bid for group dental insurance.

Five (5) sealed proposals were received. Cigna, our current Medical Healthcare Insurance provider, submitted the lowest, most responsible proposal that, if approved, would increase the Dental Insurance costs by 26.17%; or, an estimated total annual plan amount of \$193,059. (Actual costs are contingent upon census data, which may fluctuate throughout a plan year.)

Plan design remains static. However, Cigna has offered a \$10,000 Dental Wellness Incentive, which is in addition to the \$10,000 Medical Wellness Incentive the City currently receives for the Cigna Medical Healthcare Insurance contract.

Financial Impact:

Employer and Employee annual estimated contributions are \$146,135.70 and \$46,923.30 (respectively). Although the Dental Insurance Contract premiums increase by 26.17%, the overall impact to the FY 2018-19 budget is an estimated 0.7%.

Citizen Input/Board Review:

Not applicable.

Legal Review:

Not applicable.

Alternatives:

City Council has the following alternatives:

- Approve as submitted

- Approve with changes
- Denial

Council Action:

Staff recommends approval of the proposed resolution as presented.