

SAINT PETERSBURG CITY COUNCIL

Consent Agenda

Meeting of January 8, 2009

To: The Honorable James Bennett, Chair and Members of City Council

Subject: Accepting proposals from CompBenefits Company for voluntary dental DHMO and vision insurances at an estimated annual premium of \$613,206 and from CompBenefits Insurance Company for voluntary dental PPO at an estimated annual premium of \$184,232; and authorizing the Mayor or his designee to execute all documents necessary to effectuate this transaction. CompBenefits Insurance Company and CompBenefits Company (collectively "CompBenefits") insurances are sold under the branded name of Humana Specialty Benefits.

Explanation: The Purchasing Department received seven proposals for dental insurance and eight proposals for vision insurance. The proposals were evaluated by a cross-functional team utilizing the benefits consulting firm of Gallagher Benefit Services, Inc. as well as an interdepartmental advisory board. The proposals were ranked on a basis of experience and capacity, comprehensiveness of services, total cost of services and responsiveness of proposal.

Of the seven dental insurance proposals received, the three highest ranked offerors, CompBenefits, Assurant Employee Benefits and Delta Dental Insurance Company, were asked to submit best and final offers. CompBenefits' plans offered a strong provider network, no increase above current rates, an increase in the PPO reimbursement schedule and enhanced billing options. CompBenefits, the City's current provider, was recommended to provide dental coverage.

The voluntary dental benefits to be provided are a Dental Health Management Organization (DHMO) and a Preferred Provider Organization (PPO). There will be no change in coverage or premiums in the DHMO plan. The reimbursement rate for the PPO plan will increase from 70% of UCR (usual, customary and reasonable rates) to 90% of UCR with no change in premiums from the city's current plan. The rates are guaranteed for two years.

Of the eight vision insurance proposals received, the two highest ranked offerors, CompBenefits Company and Advantica Eyecare were asked to submit best and final offers. The CompBenefits Company provider network is larger and offers better opportunity for the continuity of care. Also, the allowances for eyeglass frames and contact lenses are based on wholesale rather than retail rates. Therefore, CompBenefits Company, the City's current provider, was recommended to provide vision coverage.

The voluntary Vision Benefits will be offered via a High Option plan or a Low Option plan. There will be no changes from current coverage in either plan. The premium for the Low Option plan will remain the same, the premium for the High Option plan will decrease 14.8% from the current rates. The rates are guaranteed for four years.

The Purchasing Department, in cooperation with the Human Resources Department, recommends for award:

Dental and Vision Insurance.....\$797,438

CompBenefits Company	\$613,206
CompBenefits Insurance Company	184,232

Voluntary Dental Insurance	\$664,800
CompBenefits DHMO	
1,472 employees	\$419,821
254 retirees	60,747
CompBenefits PPO	
379 employees	174,123
25 retirees	10,109
Voluntary Vision Insurance	\$132,638
CompBenefits High Option Plan	
824 employees	\$105,775
111 retirees	12,831
CompBenefits Low Option Plan	
671 employees	12,678
83 retirees	1,354

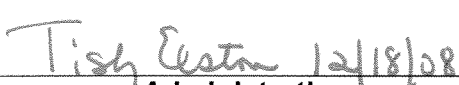
The vendor has met the specifications and requirements of RFP No. 6761 dated September 16, 2008. CompBenefits has previously provided dental and vision insurance for the City and has provided benefit plans for public sector clients for more than 30 years. CompBenefits currently services more than 7,000 Florida dental plans and more than 1,200 Florida vision plans.

These agreements will be effective through March 31, 2010. The agreements have the option for four one year renewals (through March 31, 2014). These plans are paid for by employees and retirees, therefore, there is no cost to the City. For Plan Year April, 2009 – March, 2010, the projected cost of these plans will be \$797,438. The employees' portion is projected to be \$712,397 and the retirees' portion \$85,041 depending on enrollment.

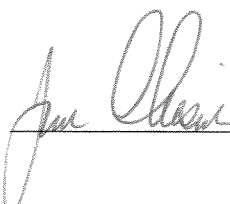
Cost/Funding/Assessment Information: Funds have been previously appropriated in the Health Insurance Fund (5121), Human Resources Group Benefits (0901177).

Attachments: Group Dental Insurance Rate History
Group Vision Insurance Rate History
Resolution

Approvals:



Administrative



Budget

Dental Insurance Rate History
953-48 Insurance, Dental & Vision

	Plan Years				
	2005	2006	2007	2008	2009
DHMO					
Single	\$12.72	\$14.12	\$14.12	\$14.12	\$14.12
Two Person	22.18	24.62	24.62	24.62	24.62
Family	30.95	34.36	34.36	34.36	34.36
PPO					
Single	19.48	20.66	20.66	20.66	20.66
Two Person	41.32	43.80	43.80	43.80	43.80
Family	63.76	67.66	67.60	67.60	67.60

Vision Insurance Rate History
953-48 Insurance, Dental & Vision

	Plan Years			
	2006	2007	2008	2009
High Option				
Single	\$6.94	\$6.94	\$6.94	\$5.92
Two Person	13.86	13.86	13.86	11.80
Family	18.54	18.54	18.54	15.78
Low Option				
Single	\$.95	\$.95	\$.95	\$.95
Two Person	1.43	1.43	1.43	1.43
Family	2.38	2.38	2.38	2.38

Note: Prior to 4/1/06 discounted vision benefits were included in the Group Health Insurance Plans

A RESOLUTION ACCEPTING THE PROPOSALS AND APPROVING THE AWARD OF ANNUAL AGREEMENTS WITH FOUR ONE-YEAR RENEWAL OPTIONS TO COMPBENEFITS COMPANY FOR VOLUNTARY DENTAL DHMO AND VISION INSURANCE AT AN ESTIMATED TOTAL ANNUAL PREMIUM NOT TO EXCEED \$613,206 AND TO COMPBENEFITS INSURANCE COMPANY FOR VOLUNTARY DENTAL PPO AT AN ESTIMATED TOTAL ANNUAL PREMIUM NOT TO EXCEED \$184,232 FOR TOTAL ESTIMATED ANNUAL PREMIUMS NOT TO EXCEED \$797,438 FOR THE HUMAN RESOURCES DEPARTMENT; AUTHORIZING THE MAYOR OR MAYOR'S DESIGNEE TO EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE THIS TRANSACTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Purchasing Department received seven proposal for dental insurance and eight proposals for vision insurance pursuant to RFP 6761 dated September 16, 2008; and

WHEREAS, CompBenefits Company and CompBenefits Insurance Company have met the specifications and requirements of RFP No. 6761; and


WHEREAS, the Purchasing Department, in cooperation with the Human Resources Department, recommends these awards.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that the proposals and award of annual agreements with four one-year renewal options to CompBenefits Company for voluntary DHMO and vision insurance at an estimated total annual premium not to exceed \$613,206 and to CompBenefits Insurance Company for voluntary dental PPO at an estimated total annual premium not to exceed \$184,232 for total estimated annual premiums not to exceed \$797,438 is hereby approved and the Mayor or Mayor's Designee is authorized to execute all documents necessary to effectuate these transactions; and

BE IT FURTHER RESOLVED that the agreements will be effective through March 31, 2010.

This Resolution shall become effective immediately upon its adoption.

Approved as to Form and Substance:



City Attorney (Designee)