



City of Benbrook

CITY COUNCIL COMMUNICATION

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10/03/19	C-327	Award contract for Employee Dental Insurance	1 of 1

CURRENT POLICY

The City contracts with United Health Care (UHC) to provide group dental insurance coverage for full-time City employees and their eligible dependents. Under the City's current fee structure, the City covers the entire premium cost for all participating full-time employees. The current rate is \$27.48 per month per employee. Three dependent coverages are also available for employees with eligible dependents and currently cost an additional \$31.46 for spouse coverage, \$32.72 for children coverage and \$62.54 for family coverage. Employees who choose one of these options are responsible for a portion of dependent premiums. The City subsidizes the balance of dependent premiums.

The City's group plan is also available to City retirees, Benbrook Library District (BLD) employees, and eligible dependents for these groups. The City pays no portion of these premiums.

DEPENDENT SUBSIDY

Employee participation in the various plan options is subject to change following the annual fall enrollment period and as a result of major life events such as marriage or birth of a child. Currently, 71 employees have dependent coverage. The City pays a portion of the dependent premium. The current total cost of the dependent subsidy is approximately \$15,708 per year.

RENEWAL RATES

In August 2019, UHC proposed a renewal rate increase of 24 percent because of a greater than expected use of the insurance and number of claims. The City's Agent of Record negotiated with UHC and lowered the increase to 16.5% with no changes in services, benefits, co-payments, and deductibles.

STAFF ANALYSIS

The total estimated annual cost to the City is \$69,300.45 and is included in the FY 2019-20 Budget. Staff recommends continuing the dependent subsidy

RECOMMENDATION

Staff recommends that the City Council approve a one-year contract with United Health Care for provision of dental insurance to be effective November 1, 2019.

SUBMITTED BY:	DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED <input type="checkbox"/> OTHER (DESCRIBE)	PROCESSED BY:
		CITY SECRETARY
CITY MANAGER		DATE: