

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Council Bill 2019-516 – Approving a one-year Contract with CIGNA to provide dental insurance coverage

MEETING DATE

October 21, 2019

ORIGINATING DEPT

Finance

ATTACHMENTS

CB 2019-516 Ordinance; Exhibit “A”-Dental Insurance Agreement

REVIEWED BY

Department Head: Leslie Haase; Human Resources Director: David Allgood; City Attorney: Peter Edwards; Interim City Manager: Dan Pekarek

SUMMARY

This Council Bill approves a one-year contract with CIGNA to provide dental insurance coverage for City employees.

BACKGROUND

In 2015, the City let a bid for dental, vision, life and health insurance services for a five-year period. CIGNA provided the lowest and best bid for dental insurance coverage with a two-year price guarantee. The price for this service is then negotiated in the following years, based on actual claims experience.

For the 2019 coverage, CIGNA submitted a renewal with no increase and a rate guarantee cap of no more than a 5% increase for the 2020 coverage. Our actual claims experience shows the increase would have been approximately 26% without this cap. As a result, there will be a 5% increase for dental insurance coverage for the 2020 calendar year.

The total *monthly* premium cost for single coverage will increase from \$28.58 to \$30.00. The employee is responsible for 30% of the monthly premium or \$9.00. The City pays 70% or \$21.00 per month. The total *monthly* premium cost for family coverage will increase from \$76.00 to \$79.80. The employee is responsible for 35% of the monthly premium or \$27.94. The City pays 65% or \$51.86 per month.

The total estimated City cost for this benefit is \$215,000.00. The contract will begin on January 1, 2020. All insurance services will be bid during 2020 for coverage in 2021.

FUNDING SOURCE

This item is expensed to all funds based on where employees are charged. This increase will be absorbed in the 2020 budget.

RECOMMENDATION

Staff recommends approval of this council bill on an emergency basis.