



Legislation Text

File #: 0005-2020, **Version:** 1

BACKGROUND:

Additional funding for dental insurance is necessary to insure continuation of the City's dental insurance program. The insurance programs must be maintained in accordance with the negotiated labor contracts. The Human Resources Department requests to modify and extend the existing contract with Delta Dental Plan of Ohio, Inc. for one year and to provide funding from February 1, 2020 through January 31, 2021 for this program. Due to ongoing labor negotiations with collective bargaining contracts citywide in 2018, and subsequent major changes to the City's health insurance benefits, the Department of Human Resources decided not to engage in the request for proposal process for dental insurance in 2019.

The Department of Human Resources will bid this contract out in 2020 for a start date of February, 2021. The current contract, legislated via Ordinance 0017-2019, represents the final year of a three year contract. The total obligation of this contract is \$15,790,000, including this modification.

Cost estimates for 2020 claims and administrative fees are based on 2018-19 trust fund expenditures using a two year average of actual city utilization, expected changes due to union negotiations, as well as input from insurance carriers and from the City's employee benefits consultant.

Emergency action is requested to ensure the dental insurance program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service.

Contract compliance number is 31-0685339

FISCAL IMPACT: Funding for this contract is budgeted and available in the 2020 Employee Benefits Fund. This ordinance is contingent on the passage of the 2020 insurance appropriation ordinance 0001-2020.

To authorize the Human Resources Director to modify and extend the contract with Delta Dental Plan of Ohio, Inc. to provide all eligible employees dental insurance coverage from February 1, 2020 through January 31, 2021; to authorize the expenditure of \$7,645,000.00 from the Employee Benefits Fund, or so much thereof as may be necessary, to pay the costs of said contract; and to declare an emergency. (\$7,645,000.00)

WHEREAS, it is in the best interest of the City of Columbus to modify and extend the contract with Delta Dental Plan of Ohio, Inc. to provide all eligible employees dental insurance from February 1, 2020 through January 31, 2021; and

WHEREAS, it is necessary to authorize the expenditure of up to \$7,645,000, or so much thereof as may be necessary, to pay contract costs for dental insurance services; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Human Resources in that it is immediately necessary to modify and extend the contract with Delta Dental Plan of Ohio, Inc. for the preservation of the public health, peace, property, safety, and welfare;

Now, Therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Human Resources Director is hereby authorized to modify and extend the contract with Delta Dental Plan of Ohio, Inc. to provide dental insurance to all eligible employees from February 1, 2020 through January 31, 2021.

SECTION 2. That the expenditure of \$7,645,000, or so much thereof as may be necessary, for dental insurance coverage is hereby authorized to be expended as follows:

Department: 4602 | Fund: 5502 | Subfund: 550205 | Program: RM005 | Amount: \$345,000 (Dental Admin)

Department: 4602 | Fund: 5502 | Subfund: 550205 | Program: RM006 | Amount: \$7,300,000 (Dental Claims)

SECTION 3. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 4. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage, if the Mayor neither approves nor vetoes the same.