

Management Committee

Meeting date: August 14, 2019

For the Metropolitan Council meeting of August 28, 2019

Subject: Dental Claims Administration

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3 Expenditures - Procurement of Goods and Services over \$500,000

Staff Prepared/Presented: Terri Bopp, HR Manager, Benefits, 651-602-1370; Marcy Cordes, Chief Labor Relations Officer, 651-602-1582

Division/Department: RA Human Resources - Benefits

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute a contract with HealthPartners in an amount not to exceed \$ 1,110,000 to provide dental claims administration for a period of five years, January 1, 2020 through December 31, 2024.

Background

The current contract with HealthPartners expires December 31, 2019. A formal Request for Proposals was issued May 1, 2019. Proposals were due May 30, 2019. Proposals were submitted by the following companies: Blue Cross/Blue Shield; Delta Dental; HealthPartners; MetLife; Preferred One; United Healthcare. All proposals were evaluated individually by each panel member without collaboration with any other panel member. Proposals were evaluated on the following criteria: administrative; financials; geo access and disruption; electronic capabilities. A consensus meeting was held June 25, 2019.

Rationale

The evaluation panel reached consensus that the proposal submitted by HealthPartners represents the best value to the Council. HealthPartners is offering a five-year rate guarantee at fees lower than the current rate. The current fee is \$3.66 per employee per month (PEPM) and the proposed fee is \$3.45 PEPM. They can match current plan design and network. Other proposers were unable to match current plan design and network.

Thrive Lens Analysis

Authorization to enter into a contract with HealthPartners for dental claims administration supports the Thrive outcome of Stewardship by providing dental claims administration at fixed low rates for the next five years.

The Office of Equal Opportunity reviewed the scope of work and did not assign an MCUB goal, and no potential MCUB vendors were identified. The President & CEO of HealthPartners is a woman.

Funding

Funding for dental claims administration is considered in premium rate setting for the self-funded dental reserve account.

Known Support / Opposition

None