



**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee Feldman, ICMA-CM, City Manager

**DATE:** October 1, 2013

**TITLE:** Motion to approve a one-year contract for group DHMO (Dental Health Maintenance Organization) and DPPO (Dental Preferred Provider Organization) dental plan benefits – Request for Proposals (RFP) 745-11264 - \$1,006,129

---

### **Recommendation**

It is recommended that the City Commission award a one-year insured contract for group DHMO and DPPO dental plan benefits to Humana Dental Insurance Company, in the estimated annual amount of \$1,006,129 and authorize the City Manager to approve the renewal options contingent upon approval and appropriation of funds.

### **Background**

The City issued an RFP for group dental DHMO and DPPO coverage for its 1,671 eligible active and retired management, general and firefighter employees.

- Humana Dental was completing a 3-year rate guarantee (January 1, 2010 – December 31, 2013) for a DHMO and DPPO for Management, Federation and Teamster employees with a proposed 9.9% one-year renewal increase for 2014 which prompted staff to take the plan to bid.
- Guardian Life was completing a 5-year contract (January 1, 2008 – December 31, 2013) for a DPPO plan for IAFF firefighters without any additional renewals available.

There are three separate plans being offered to employees which the carriers were asked to bid on.

- IAFF DPPO - This firefighter plan historically was underwritten by Guardian. Under the firefighter plan, participants have higher coinsurance levels and a deductible that the City-wide DPPO plan does not have, so its rates have and will continue to be lower.
- City-wide DPPO - This plan has historically been offered to Management, Federation and Teamsters. Prior to Humana, the carrier was MetLife.
- City-wide DHMO - This plan has historically been offered to Management, Federation and Teamsters. Prior to Humana, the carrier was MetLife.

Four major dental carriers submitted proposals (Aetna, Cigna, Humana and MetLife) which were evaluated by a five member RFP Review Committee.

- Richard Harden - a representative with Teamster Local 769 and Public Service Distribution & Collection Service Worker
- Steve Simac - Secretary of IAFF Local 765 and Lieutenant with Fire Rescue
- Jon Stahl - a representative of the AFL-CIO Federation of Public Employees and Geographic Information Services Specialist
- James Drake - member of the City's Insurance Advisory Board and Executive Vice President of McKinley Insurance Services
- Dennis Stone - Employee Benefits Coordinator

At their August 27, 2013 meeting, the RFP Review Committee recommended an insured plan with Humana Dental based on their review of the major components of the proposals that was prepared by the Rhodes Insurance Group. At the September 4, 2013 meeting of the City's Insurance Advisory Board, the RFP Review Committee's recommendation of Humana Dental was approved to send to Commission for approval.

**RFP 745-11264 Scoring Tabulation**

PROPOSING FIRM	Average Points Awarded	Total Combined Points Awarded	Local Vendor Preference	Local Preference Deduction	Total Final Score	Final Ranking
Aetna	<b>3.59</b>	<b>17.95</b>	<b>0%</b>	0.00	<b>17.95</b>	4
Cigna	<b>2.30</b>	<b>11.50</b>	<b>0%</b>	0.00	<b>11.50</b>	3
Humana	<b>2.15</b>	<b>10.75</b>	<b>0%</b>	0.00	<b>10.75</b>	1
MetLife	<b>2.20</b>	<b>11.00</b>	<b>0%</b>	0.00	<b>11.00</b>	2

Some of the key components of the insured Humana Dental plan include the following.

- Price – Two year rate guarantee at \$1,006,129 per year allows both the DHMO rates for Management, Federation and Teamsters to remain the same and DPPO rates for the IAFF to remain the same. The DPPO rates for Management, Federation and Teamsters will experience a small rate increase due in part to the enhanced coverage of fillings. Overall, the Humana Dental rates represent a 5.34% increase.
- Provider Network - The Humana Dental provider network has been used for the past 3 years for both the DHMO for DPPO for Management, Federation and Teamsters. Humana Dental has already begun recruiting the more popular Guardian providers in order to minimize displacement in the firefighter's plan.
- Enhanced Coverage - Resin-based fillings were added as part of the DPPO plan. This replaces amalgamated fillings which are no longer provided by dentists and

caused unpredictable mark-ups for plan participants in the past. Coverage of cancer screenings were also clarified under the dental plan.

**Resource Impact**

There will be a fiscal impact to the City in the amount of \$538,770 with the remaining \$467,359 paid through employee premiums for a total of \$1,006,129. Expenditures are contingent upon approval and appropriation of the annual budget.

**FUNDS AVAILABILTY LOCATION:**

FY	FUND	SUB FUND	FUND NAME	INDEX #	INDEX NAME	SUB OBJ #	SUBJECT NAME	AMOUNT
2014	543	01	City Insurance	INS200101	Health Insurance	5133	Health Carrier	\$1,006,129
<b>TOTAL</b>								\$1,006,129

**Attachment**

Exhibit 1 – Evaluation Summary 745-11264

---

Prepared by: Richard Ewell, Procurement Specialist II  
 Carrie Keohane, Administrative Assistant I

Department Director: Averill Dorsett, Human Resources