



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

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: August 18, 2015

TITLE: Motion Authorizing an Increase in Expenditure to Humana Dental
Insurance Company for Plan Benefits – \$245,000

Recommendation

I am recommending that the City Commission approve an estimated increase of \$245,000 to the purchase order for Humana Dental Insurance Company due to added subscribers on the plan.

Background

On November 4, 2008, the City Commission approved a three year (with two one-year renewals) contract for administrative services for a self-funded dental plan with The Guardian Life Insurance Company of America (CAR #08-1631, Exhibit 1) for all Firefighters on the International Association of Fire Fighters (IAFF) plan. This contract expired December 31, 2013.

On October 1, 2013, the City Commission approved a one-year contract (with three one-year renewals) for a fully insured dental plan with Humana Dental (CAM #13-1237, Exhibit 2) that commenced on January 1, 2014 and will expire on December 31, 2017. With the expiration of the Guardian contract, the IAFF members were included in the Humana contract.

Fully insured dental premiums are calculated on a per subscriber rate. Humana documented the rates in their response to the Request for Proposal (RFP), but the rates were not included in CAM #13-1237. Instead, the total estimated annual amount of \$1,006,129 was documented, but this figure did not take into consideration the volume of IAFF members that were moving from the Guardian plan to the Humana plan. Staff requests funding in the estimated amount of \$245,000 to adjust the Purchase Order for those members.

Resource Impact

There will be a fiscal impact to the City in the amount of about \$245,000; however, there is no increase in the budget amount.

<i>Funds available as of October 1, 2015</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	OBJECT CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Object Code)	AVAILABLE BALANCE (Object Code)	PURCHASE AMOUNT
545-INS220101-5140	Self-Insured Health Benefits	Dental Carrier Premium	\$1,300,000	\$293,871	\$245,000
PURCHASE TOTAL ►					\$245,000

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United*.

Attachments

Exhibit 1 – CAR #08-1631

Exhibit 2 – CAM #13-1237

Prepared by: Guy Hine, Human Resources Department

Department Director: Averill L. Dorsett, Human Resources Department