
Sponsor: Human Resources

Meeting Date: 8/23/2022

Title: Renewal of Employee/Retiree Dental, Employee Life and Employee Disability Insurance Contracts for 2023

File Number: 2022-454

Background and Rationale:

Ramsey County is currently in the fourth year of contracts for dental insurance with HealthPartners, life insurance with Minnesota Life and disability insurance with National Insurance Services of Wisconsin, Inc. These contracts were awarded through a Request for Proposals (RFP) process in 2018 and are renewable for one additional one-year period through 2023. The Ramsey County Labor Management Committee on Insurance (LMC) has been actively involved in renewal discussions and reached consensus on recommending these renewals.

Proposed renewals are as follows:

Dental Insurance - 3% increase:

In response to the RFP for Dental Insurance issued in 2018, HealthPartners offered, and Ramsey County accepted, a proposal that included rate caps of 2% in 2021 and 3% in 2022 and 2023. The county's dental claims experience for the 12-month period ending 2/28/22 was 17% higher than the insurance premiums collected for that period. When combined with an adjusted trend factor for 2023, HealthPartners is expecting a nearly 24% increase in claims expense next year. Deloitte Consulting has independently reviewed the renewal information provided by HealthPartners and concluded the 3% rate cap agreed to in the original contract is favorable to the county. Agreement was reached by the LMC to recommend acceptance of the 3% premium increase renewal offer with no plan design changes for the Plan Year 2023.

Basic Life, Optional Employee and Spouse Life, Dependent Life and Accidental Death and Dismemberment Insurance - 0% increase:

In response to the RFP for Life Insurance issued in 2018 Minnesota Life offered and Ramsey County accepted a proposal that included 0% rate caps through 2023. The Life Insurance plans continue to be running well. Minnesota life proposed an opportunity for county employees to increase their Optional Life coverage by up to \$20,000 on a guaranteed issue basis during the 2022 open enrollment period to be effective January 1st 2023. This additional coverage is available without evidence of insurability but cannot bring the employee's total Optional Life coverage beyond \$500,000. Consensus was reached by the LMC to recommend acceptance of the 0% increase renewal offer with no plan design changes and the offer of up to \$20,000 in Optional Insurance coverage on a guaranteed issue basis for the Plan Year 2023.

Basic Long-Term Disability and Optional Long-Term Disability Insurance (LTD) and Optional Short-Term Disability Insurance (STD) - 0% increase:

In response to the RFP for Disability Insurance issued in 2018, National Insurance Services of Wisconsin offered, and Ramsey County accepted, a proposal that included 0% rate caps through 2023. Overall, the Disability Insurance plans are running well with loss ratios consistent with those considered acceptable by National Insurance Services. Consensus was reached by the LMC to recommend acceptance of the 0% increase renewal offer with no plan design changes for the Plan Year 2023.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve renewal of the contract with HealthPartners, 8170 33rd Avenue South, Minneapolis, MN 55440, for dental insurance for active employees and retirees for Plan Year 2023, at a 3% rate increase with no plan design changes resulting in a total premium of \$46 for Single coverage and \$103 for Family coverage.
2. Approve renewal of the contract with Minnesota Life, 400 Robert Street North, Saint Paul, MN 55101, for county-paid Basic Life insurance, and employee-paid Optional Employee and Spouse Life, Dependent Life and Accidental Death & Dismemberment insurance for Plan Year 2023 at a 0% rate increase with no plan design changes.
3. Approve renewal of the contract with National Insurance Services of Wisconsin, Inc., 14852 Scenic Heights Road #210, Eden Prairie, MN 55344, for county-paid Basic Long-Term Disability and employee-paid Optional Long-Term Disability and employee-paid Short-Term Disability insurance for Plan Year 2023 at a 0% rate increase with no plan design changes.
4. Authorize the County Manager to execute the 2023 contract renewals with HealthPartners, Minnesota Life and National Insurance Services of Wisconsin.

A motion to approve was made by Commissioner Carter, seconded by Commissioner Reinhardt. Motion passed.

Aye: - 7: Carter, Frethem, MatasCastillo, McDonough, McGuire, Ortega, and Reinhardt

By: 

Mee Cheng, Chief Clerk - County Board