



MEMO

TO: President Gardiner and the Members of Town Council

FROM: Dustin Anderson, Town Manager

SUBJECT: Dental Rates

DATE: November 21, 2022

Background

Munster is a member of the AIM Medical Trust. This is a collection of municipalities within the State that pool their risk together in order to mitigate the negative effects of potential heavy usage. The Trust sets 60% of the renewal based upon the Trust's increase which is determined by the total claims experience of all municipalities and 40% is based upon each individual municipality's claims experience as calculated by the Trust's actuary.

One benefit of being a member of the Trust is that the Trust can choose to strategically allocate reserves to further decrease premiums in some circumstances. This year, the Town's blended rate is a modest increase of 2%.

The rates presented include a 1.25% increase beyond that 2% to account for the rising administrative costs of providing: dental coverage, long-term disability insurance, our Section 125 Flexible Spending Arrangement (FSA), and our employee assistance program (EAP).

Through our membership in the Trust we will have avoided millions of dollars as compared to industry medical trend.

One notable difference this year's renewal is that the Trust offered a competitive rate for our dental insurance. Our expiring coverage is through Delta Dental and the recommended coverage through the Trust is also through Delta. This means that the plans are nearly identical and that the network of care providers are also nearly the same. By bundling these coverages, employees may actually see a decrease in total cost of coverage.

Dental Rates

In the presentation of rates to Council at their November 7th meeting, the dental rates for 2023 were inadvertently omitted. Council needs to affirm those 2023 rates for employees so they may be in effect on January 1, 2023.

The expiring rates from 2022 were as follows:

Tier	Expiring Rates	Monthly Town	Monthly Employee
EE/ Only	\$ 39.35	\$ 39.35	\$ -
EE/Spouse	\$ 69.18	\$ 39.35	\$ 29.83
EE/Children	\$ 87.13	\$ 39.35	\$ 47.78
EE/Family	\$ 119.14	\$ 39.35	\$ 79.79

In 2023 – due to the Trust’s competitive bid – our dental rates are significantly lower. The exact details are found in the following table:

Tier	2023 Rates	Monthly Town	Monthly Employee
EE/ Only	\$ 12.15	\$ 12.15	\$ -
EE/Spouse	\$ 24.30	\$ 12.15	\$ 12.15
EE/Children	\$ 32.82	\$ 12.15	\$ 20.67
EE/Family	\$ 49.33	\$ 12.15	\$ 37.18

As you can see, this represents a significant cost savings for our employees.

Recommendation

By motion and roll call vote authorize the Town Manager to adopt the dental rates for the Town of Munster as presented.