PROPOSAL:  Staff seeks authorization to enter into a contract with Met Life to provide dental coverage to active benefit-eligible DRPA employees and their eligible dependents for plan years January 1, 2009 through December 31, 2010.

PURPOSE:  To continue to provide a quality dental care benefit package for active benefit-eligible DRPA employees and their eligible dependents.

BACKGROUND: As part of its benefits package for benefit-eligible active employees the DRPA has traditionally provided dental coverage. Prior to 2006, the DRPA’s dental coverage was provided by United Concordia. However, United Concordia lacked a New Jersey network of dentists. In plan year 2007, the Authority changed its dental carrier to Delta Dental of New Jersey to provide an extensive network of dentists in New Jersey, Pennsylvania, and nationally. The new plan also provided a higher calendar year maximum per employee, at an approximate annual savings.

On January 1, 2006, Delta Dental of New Jersey replaced United Concordia at an annual premium of approximately $402,680. Delta’s renewal for 2009, for the same level of coverage, came in at a flat renewal.

For plan year 2009, working with our broker, Willis of New Jersey, Inc., staff went out to the market to solicit additional quotes. We received quotes from the following dental carriers: Delta Dental of NJ; Met Life; Cigna; Fidelio and Horizon.

Staff received the following quotes:

- Delta Dental of NJ: $399,282.84
- Met Life: $360,517.20
- Cigna: $356,114.40
- Fidelio: $379,611.00
- Horizon: $358,678.20

Met Life’s plan offers a $2,000 in-network annual maximum, and a $1,500 out-of-network annual maximum for less premium dollars than...
the Authority is currently paying Delta Dental of NJ. Delta Dental’s maximum in-network benefit was $1,500 annually. Met Life offers an expansive network, and is a leader in the industry with a proven track record. It also offers excellent customer service at a local level. In addition, only Met Life and CIGNA cover out-of-network claims at 90%. Staff was unable to interview representatives from CIGNA and Fidelio. Accepting Met Life’s proposal would result in an approximate savings to the Authority of $38,765. Met Life has agreed to a two-year rate lock. Unlike the other carriers, Delta Dental of NJ would only agree to a one-year rate lock. For the above reasons, our broker has recommended that we accept Met Life’s proposal for plan years 2009 and 2010. Staff concurs with this recommendation.

Accordingly, staff seeks Board authority to enter into a contract with Met Life for 2009 and 2010.

Summary: Amount: Approximately $360,517.20
(Note – This covers both DRPA and PATCO)
(The rate is based upon the current DRPA/PATCO census, but subject to change as our census changes.)

Source of Funds: Revenue Fund, General Fund
Capital Project #: N/A
Operating Budget: DRPA Employee Services Expense
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: Two (2) Years
Other Parties Involved: Met Life
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to negotiate a contract with Met Life for the provision of dental care benefits to active benefit-eligible DRPA employees and their eligible dependents for the years 2009 and 2010; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA and PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer, and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA and PATCO, along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s), while they are absent or unavailable, the Chief Executive Officer shall execute such document(s) on behalf of DRPA and PATCO.

SUMMARY: Amount: Approximately $360,517.20
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