

Memorandum



**DULUTH
PUBLIC
SCHOOLS**

Human Resources

TO: William Hanson
FROM: Shelly St. Germaine
DATE: October 8, 2012
RE: RFP #295 Dental ASO Only

Requests for proposals for Administrative Services Only (ASO) were advertised and mailed to 22 vendors. Responses were received from four (4) carriers as follows: Delta Dental (incumbent), Ameritas, Simple and Public Employees Insurance Program.

One carrier did propose a lower ASO fee than our current carrier Delta Dental. However, the total annual cost (ASO & Claims) is projected to be lower with Delta's extensive Network and subsequent Provider Discounts. In addition, their ASO fee includes the mailing and distribution of ID cards, coordination of benefits and Summary Plan Descriptions and does not require a change for employees.

It is recommended that the proposal for Delta Dental be accepted with an ASO fee that remains the same at \$2.55 per eligible employee per month with a three (3) year rate guarantee. The contract will be effective January 1, 2013 through December 31, 2015.

If you have any questions, please contact me at 336-8723.

/ssg

DENTAL RFP #295 - SUMMARY

VENDOR	DENTAL RFP #295	RATE GUARANTEE	NOTES
Delta (Current)	\$2.55	3 Years	Same - No increase
NIS (Ameritas)	\$2.330	2 Years	12 Dentists in Network, District needs more extensive Network and subsequent provider discounts.
Simple	\$2.45 w/o PPO network \$3.35 w/ network	No	0.08 additional cost per employee/month to mail ID cards; 0.15 additional per employee/month coordination of benefits
PEIP	Does not offer ASO Plan	N/A	RFP was for ASO - They do not offer ASO.
<p>*DDWIAA, Principals, Teachers (Language listed below is in CBA) - All other units state "same as" teachers.</p> <p>*The District shall continue the plan in effect, including a level of benefits the same as those provided under the Delta Basic Dental Core Program coverage.</p> <p>The estimated annual ASO fee cost is \$33,000. (for active employees)</p>			