



**Delta Dental of Minnesota  
2014 Annual Report**



DELTA DENTAL OF MINNESOTA



2014 was a year of tremendous opportunity and development for Delta Dental of Minnesota. We grew not only in number of customers and employees, but in products and services rendered. With the Affordable Care Act and the ever-changing and ever-more consumer focused health care landscape, we have continued to evolve our business to meet on-going demands.

As these changes have provided opportunities, our mission has stayed top of mind: to improve the health through oral health of Minnesotans and all of our members we serve throughout the country. Through strategic initiatives, innovative programs and a continued dedication to our community, we're proud to say we fostered more healthy smiles than ever before.

We are aware that poor oral health has been associated with conditions such as stroke, heart disease and diabetes. With that, we remain committed to improving access to affordable oral health care and educating our community on the emerging awareness of the connectivity between oral health and overall health.

In 2014, we were pleased to have Dr. Sheila Strock, Vice President of Dental Services, join our team at Delta Dental of Minnesota. Dr. Strock brings a wealth of knowledge regarding systemic health that will influence our products and services as we continue to move forward.

## "A TREMENDOUS YEAR" 2014

As part of our on-going commitment to our community, Delta Dental of Minnesota Foundation and Community Affairs donated more than 4 million dollars in community contributions to support oral and overall health initiatives of organizations and programs. In addition, The Delta Dental of Minnesota Foundation launched the \$2 million Dedicated to Minnesota Dentists (DMD) Program, a comprehensive dental education loan repayment for service program. Our DMD loan repayment program was developed specifically for qualifying dentists who will agree to practice in underserved areas of Minnesota.

I am happy to report that we not only strive to meet—and exceed—our customers requirements, we also strive to create a work environment that our team members value and enjoy. It is with pride that I share based on a comprehensive employee survey in 2014, Delta Dental of Minnesota was named a Top Workplace in Minnesota by the *Star Tribune*. Although there were several notable contributors to our Top Workplaces in Minnesota Award, our employee driven community giving, we call "Flash Philanthropy" stood out. Flash Philanthropy is our response to urgent causes that are identified by our employees which initiates an intense commitment of our team members time, efforts and financial resources to benefit those in need throughout the Twin Cities. These special causes have included diaper, clothing and toy drives, as well as serving meals at local homeless shelters.

2014 has been a momentous year for Delta Dental of Minnesota and we look forward to spreading The Power of Smile® in 2015.

Rodney Young  
Chief Executive Officer and President  
Delta Dental of Minnesota

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# SPREADING SMILES BY THE NUMBERS



**1,500**  
Minnesotan's received free  
dental care this year



**1,000**  
Mouthguards donated to  
youth sports teams



**35,000**  
Toothbrushes distributed to  
underserved children



**\$3,709,750**  
Given to underserved populations  
in Minnesota through Grants



**\$2,000,000**  
Allocated to assist in dental student  
loan-repayment program

## OUR MISSION

To be the recognized leader in providing access to quality, affordable dental, health and population management benefits to the communities we serve



## OUR VISION

To improve health and oral health, access and strategic initiatives



## RECOGNITION

Delta Dental of Minnesota was named a 2014 Top Workplace in Minnesota by the *Star Tribune*



# THE DELTA DENTAL DIFFERENCE

At Delta Dental of Minnesota, we are dedicated to improving health through oral health. We know great oral health is an essential part of a healthy lifestyle and we're pleased to offer quality, affordable dental benefits that improve oral health, and in turn, overall health for those in our community.

Delta Dental of Minnesota is the leading dental benefits provider in the region, which allows us to utilize our strengths and stability to ensure we're making a difference in the ever-changing, competitive marketplace both locally and nationally. We believe our unwavering commitment to our members, clients, consumers, provider partners and the many communities we serve creates "The Delta Dental Difference."



Extending oral health education and care to Minnesotans in underserved communities



Supporting research that will improve oral health and overall wellness



Offering national reach with a localized feel and hometown commitment



Promoting the importance of prevention activities to increase long-term oral health

## PLANS WORTH SMILING ABOUT

## Delta Dental of Minnesota believes everyone deserves a healthy smile

We keep smiles healthy by providing comprehensive, affordable dental plans for our members. With plans for individuals and families, large or small group employers, and public program participants, we provide the right dental coverage to fit specific needs and budgets.

### Group Plans:

We offer plans to fit the needs of any group size, both fully-insured (risk) and self-insured (administrative only). Our ongoing, positive relationships and the respect we've earned over the years allow us to demonstrate Delta Dental's overall value to group customers in a competitive market. Today we are proud to offer benefits to over 7,500 Minnesota-based purchasing groups.

### Public Programs:

Delta Dental of Minnesota offers dental benefits to more than 450,000 public program enrollees for Minnesota and North Dakota. We aim to expand access to quality dental care by partnering with a wide network of dental providers.

### Individual and Family Dental Plans:

Delta Dental offers a variety of affordable dental plans that fit the unique needs and budgets of individuals and their families that do not have an employer-sponsored dental plan option. We have plans available for purchase both on the state and federal exchanges, as well as plans that can be purchased online directly from Delta Dental of Minnesota. We now have a streamlined process, making it easy to purchase insurance.

## THE POWER OF SMILE®

In 2014, we continued our focused advertising campaign, ThePowerOfSmile® to consumers. Our ThePowerOfSmile® campaign included radio, TV, billboards and digital media which drove awareness of the importance of good oral health, as well as awareness of the various individual and family plans. In addition to online insurance plan enrollment, we licensed agents to answer any questions regarding selecting the correct plan.



# DELIVERING THE BEST SERVICE

At Delta Dental of Minnesota, we encourage members to use their benefits to get preventive care. We hold ourselves to exceptional service standards to assure the best customer experience for Delta Dental members, employers, providers and brokers.



**6.49 Million**  
total claims processed  
**25,650**  
average claims per day  
**1,071,416,314.37**  
total dental claim dollars paid

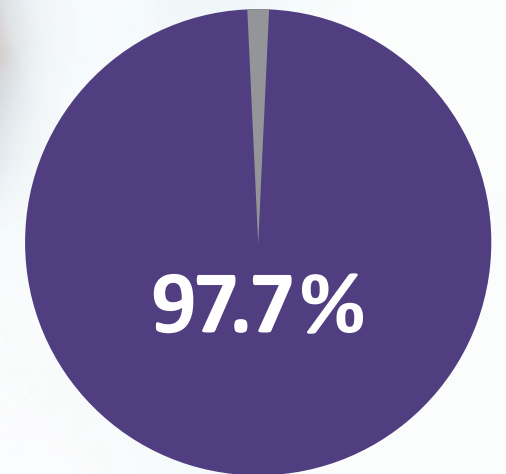


**1.6 Million**  
total calls answered  
**6,295**  
average calls per day  
**27 Seconds**  
average phone response time  
**96.8%**  
inquiries resolved on first call  
**1.7 Days**  
average claim turnaround

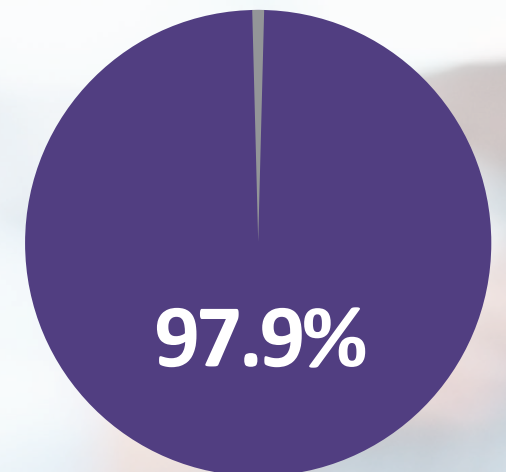


**97.7%**  
member satisfaction  
**99.9%**  
financial accuracy  
**96.6%**  
broker satisfaction rate  
**13 of 17**  
MN based fortune 500  
companies served

## Member Satisfaction



## Group Retention



  
Satisfied or  
Very Satisfied

A smiling man and woman are shown in a dental office setting. The man is in the foreground, smiling broadly, showing his teeth. The woman is behind him, also smiling. They are both wearing white lab coats. The background is a bright, clean dental office.

## OFFERING THE LARGEST NETWORKS

### We're proud to offer both Delta Dental Premier<sup>SM</sup> and Delta Dental PPO<sup>®</sup> Networks.

The unique dual network offers customers the opportunity to choose from a broader selection of dentists. No other national dental carrier comes close to the size of our network, and accordingly, no other carrier can offer members the same amount of value and cost savings.

#### Delta Dental Premier<sup>SM</sup>

Delta Dental Premier is the largest dentist network in the country. In fact, more than four-out-of-five participating dentists in the nation accept Delta Dental's fees for dental procedures.

#### Delta Dental PPO<sup>®</sup>

Delta Dental PPO gives members the lowest out-of-pocket costs. Participating dentists in the network accept lower fees for procedures, which provide our members greater discounts and cost savings.

## 4-out-of-5

dentists in the U.S.  
participate in the  
Delta Dental  
Premier<sup>SM</sup> Network

“No other carrier can offer members the same amount of value and cost savings.”

# OUR COMMITMENT TO THE COMMUNITY



## Oral Health Prevention and Education

In partnership with the Minnesota Department of Health, Delta Dental of Minnesota Foundation implemented two programs dedicated to promoting oral health awareness, education and prevention activities throughout the state.

Delta Dental of Minnesota Foundation supported the launch of a new one-stop source for oral health data known as the Minnesota Oral Health Statistics System (MNOHSS). This information system allows dental providers, community leaders, and the public to easily access up-to-date oral health data, track disease trends and quantify dental service use enabling the ability to more readily identify health disparities.

Delta Dental of Minnesota Foundation also supported a total of seven dental clinic partners to implement the second year of Smiles@School. Smiles@School reaches children at-risk of oral decay in schools and community settings with preventive sealants and education. Dental sealants are a proven, cost effective way to help children avoid tooth decay and stay healthy without interruptions to schooling and daily activities.

## Leadership

Delta Dental of Minnesota Foundation helps recognize and support leaders for their commitment to improving oral health in Minnesota.

This year, the Foundation funded the first Executive Director position of the Minnesota Oral Health Coalition. The Coalition is a public, statewide membership organization that heightens the understanding of the importance of oral health and the need to improve oral health conditions for Minnesotans.

The Foundation proudly announced a new leadership award to Colleen M. Brickle RDH, RF, EdD for her work that has led to significant advancements in the oral health profession and delivery of care. This inaugural award was made in honor of Ann K. Johnson, former Executive Director of Delta Dental of Minnesota Foundation.

Additionally, the Foundation awarded the National Children's Oral Health Foundation \$300,000 over three years to create a statewide initiative – Oral Health Zones Minnesota – that works with leaders from early childhood and after-school programs and health clinics to address the oral health needs of Minnesota's children in a practical, cost-effective way.

As a non-profit, Delta Dental of Minnesota Foundation and Community Affairs strives to enhance the quality of life in our community. In 2014, Delta Dental of Minnesota Foundation and Community Affairs awarded over \$4M dollars in community contributions to support our mission of improving health through oral health for Minnesotans.

We work to achieve our mission by investing in our community in the following ways:

- Oral health prevention & education
- Supporting leadership in oral health
- Improving access to quality, affordable oral care

## Funding Access to Care

Delta Dental of Minnesota Foundation launched the Dedicated to Minnesota Dentists (DMD) program, the first statewide dental student loan repayment for service program. The Foundation committed \$2 million for student loan repayment, for up to 10 qualifying dentists, in exchange for living and practicing dentistry for five years in underserved areas of the state.

In partnership with the Minnesota Dental Foundation, the Delta Dental of Minnesota Foundation sponsored Minnesota Mission of Mercy with a \$150,000 grant. The event provides "no charge" care for children and

adults in need of dental treatment. In 2014, more than 1,000 volunteers provided over \$900,000 in free care to 1,500 patients in Mankato, Minnesota.

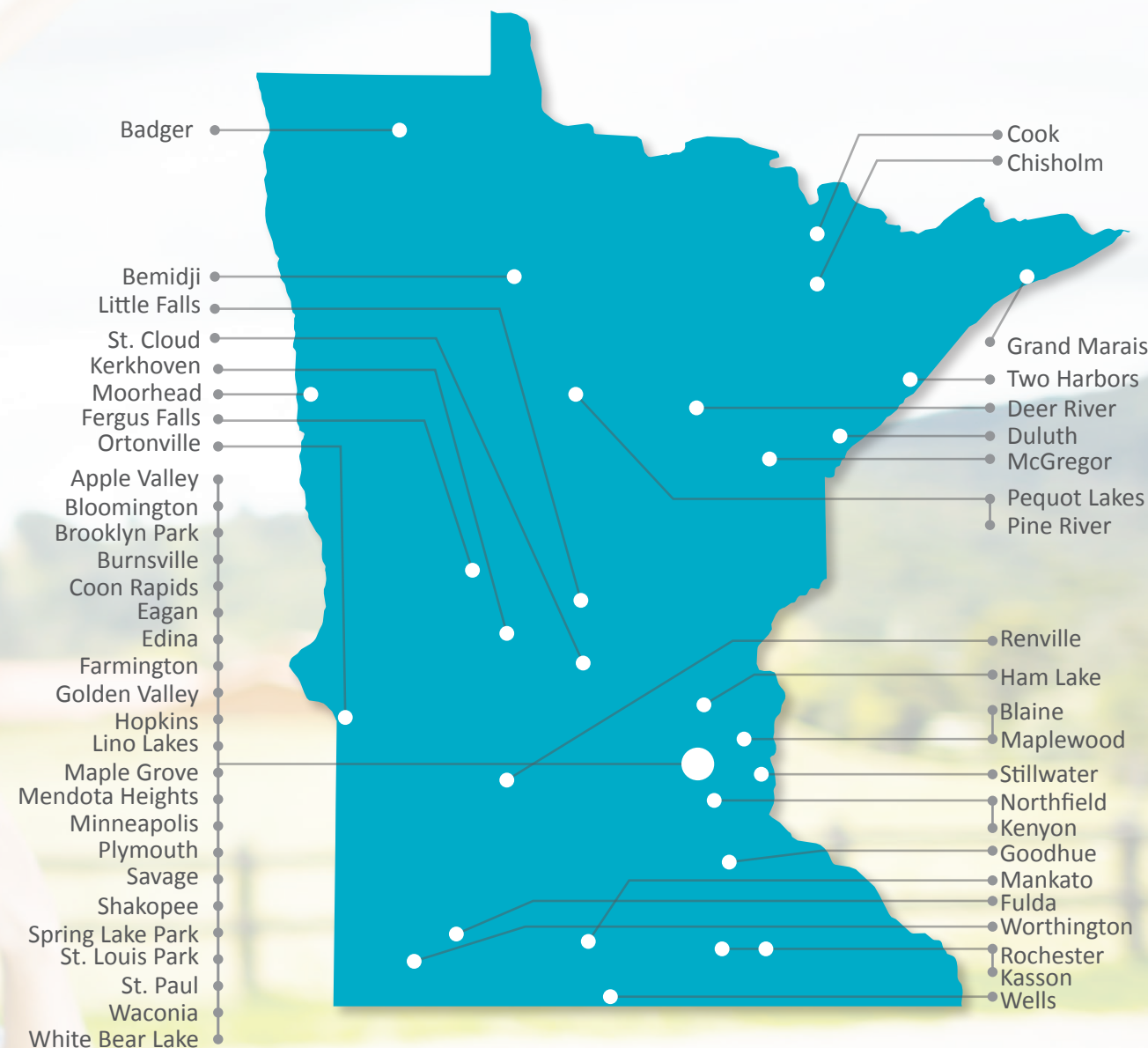
Delta Dental of Minnesota Foundation granted \$1,830,000 to seven organizations committed to the complete health of a patient. The goal is for the clinics to connect patient dental and medical records, and offer dental services in medical clinic settings, especially for patients with chronic diseases.



# COMMITMENT TO THE COMMUNITY

## Improving Access to Care

Delta Dental of Minnesota Foundation and Community Affairs works to improve access to dental care, which enables the underserved in both rural and urban areas to get the necessary oral health services they need. We fund events, pilot programs and non-profit community-based clinics throughout the state to ensure the availability of high-quality dental care.



# GIVING BACK TO OUR COMMUNITY

We awarded over  
**4 Million dollars**  
**to 103 organizations**  
to improve the oral and overall  
health of Minnesotans.

In 2014, our Responsive Grants program distributed 20 grants totaling \$650,000 to support improving health through oral health in Minnesota. We also supported 50 organizations through various sponsorships such as walks, fundraisers and other charitable events and activities, totaling \$400,000.

In addition to making grants and donations, our mission of improving the oral health of Minnesotans has been supported by the engagement and involvement of our employees. Our employees donated their time, goods, money, and talent to many flash philanthropy efforts throughout the year to support youth and families in need throughout the Twin Cities. We match employee contributions to many nonprofit organizations, doubling the impact, and further exemplifying our commitment to bettering the lives of Minnesotans.



Delta Dental of Minnesota employees spent an afternoon serving lunch at the House of Charity in Minneapolis.



Delta Dental of Minnesota employees purchased over 23,000 diapers for the children at People Serving People, a homeless shelter in downtown Minneapolis.



# INVESTMENTS IN HEALTHY SMILES



## COMBINED STATEMENTS OF OPERATIONS

	2014
Subscription revenue, net	\$1,164,928.00
Dental administrative revenue	\$97,000
Investments and other income	\$8,056

<b>Total Revenue</b>	<b>\$1,173,081</b>
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Dental service claims	\$1,075,033
Operating expenses	\$94,892

<b>Total Expenses</b>	<b>\$1,169,925</b>
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Revenue over expenses	\$3,155
Other changes in revenue	\$2,528
Reserve, beginning of year	\$226,496
Reserve, end of year	\$222,179

## COMBINED BALANCE SHEETS

	2014
Cash and cash equivalents	\$55,095
Investments	\$224,601
Accounts and note receivable	\$70,091
Property and equipment, net	\$4,465
Other assets	-----

<b>Total Assets</b>	<b>\$354,252</b>
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Dental service claims	\$94,966
Payables	\$11,092
Accrued expenses	\$1,347
Deferred revenue and group refunds	\$5,662
Due to affiliates	\$19,006

<b>Total Liabilities</b>	<b>\$122,177</b>
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Fund balance and members equity	\$218,893
Accumulated other comprehensive income	\$3,286

<b>Total Equity</b>	<b>\$222,179</b>
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<b>Total Liabilities and Equity</b>	<b>\$354,252</b>
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Years Ended December 31

Dollars in Thousands (\$000)

# 2014 BOARD OF DIRECTORS



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Sr. Vice President, Human Resources  
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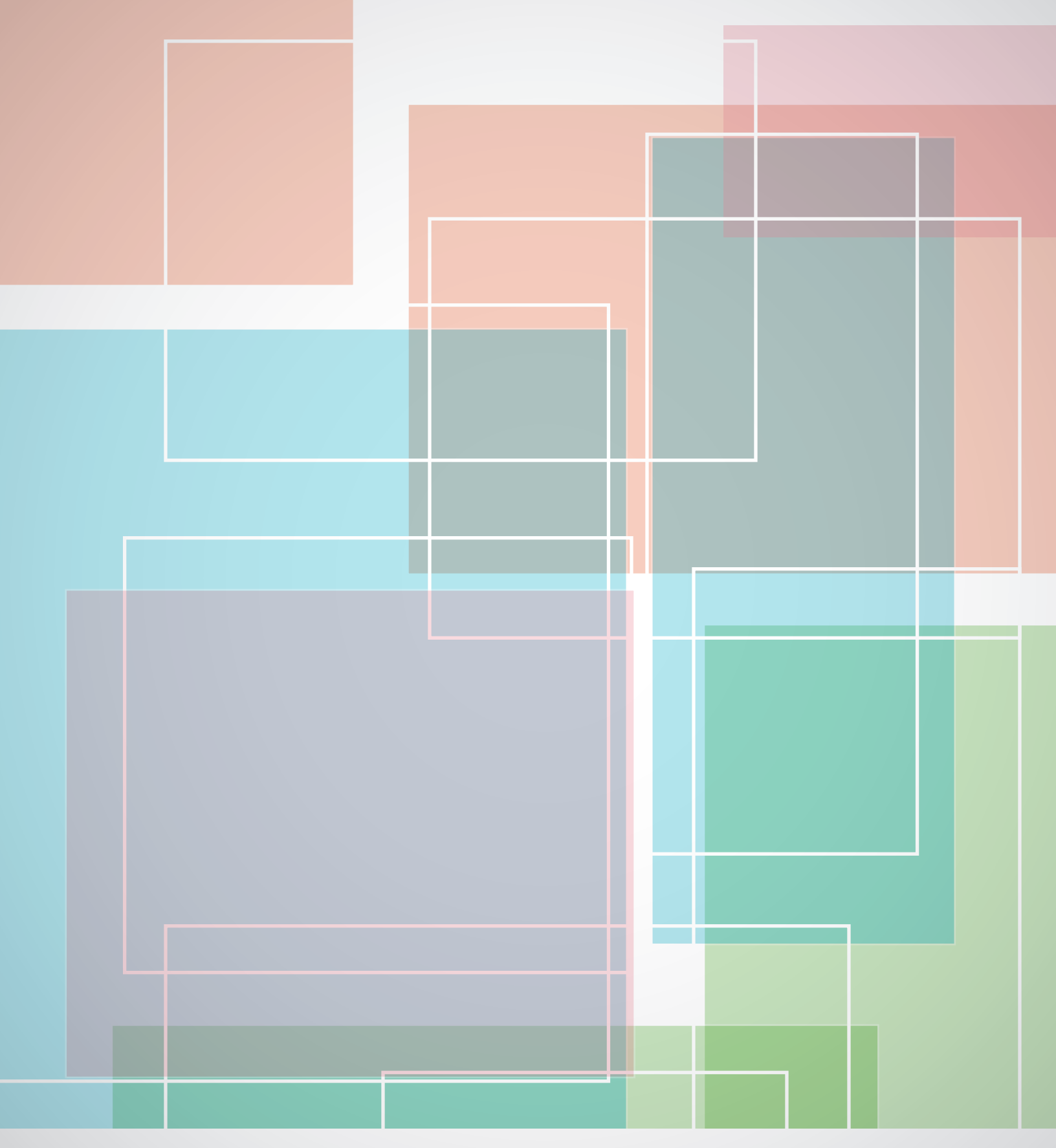
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Chair Emeritus, Dental Benefit  
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**R. Bruce Templeton, D.M.D.**  
Edina, MN

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Chief Executive Officer and  
President Delta Dental of Minnesota

**Michael Zakula, D.D.S.**  
Edina, MN



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