

DELTA DENTAL OF MINNESOTA  
**BROKER  
UPDATE**

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## A DEEPER LOOK AT OUR NETWORKS SHOWS THEY'RE A KEY SOURCE OF LONG-TERM VALUE FOR YOUR CLIENTS

What's the most important factor in evaluating the value a dental network delivers for a client: Network size, negotiated fee discounts or in-network utilization?

The answer, of course, is "all of the above." Having the largest network doesn't mean much if the discount is trivial or members don't use the network. Negotiated discounts don't matter if the network is too small or not used.

A big part of Delta Dental of Minnesota's competitive advantage comes from this simple yet powerful combination for network value.

- We easily boast the largest network in the state – Delta Dental Premier® – with 2,672 unique dentists. Our Delta Dental PPO network features an impressive 1,526 unique dentists as well. Nationwide, our networks are the largest, which is critical for large clients with branches or office locations outside Minnesota.
- Our networks continue to grow. In 2009, we added 134 dentists to our Delta Dental Premier network and 111 to our Delta Dental PPO network. We'll recruit and grow our networks anywhere in Minnesota, wherever our customers require targeted access.
- Our networks provide competitive, negotiated discounts. It's a critical source of value for more than 8,000 groups – including 13 of Minnesota's 19 Fortune 500 enterprises that depend on our networks to save them and their employees money.
- In-network utilization averages between 85-95 percent, and sometimes higher. In some cases, less than 5 percent of claims are paid out-of-network. Keep in mind the industry standard is approximately 30 percent in-network utilization.

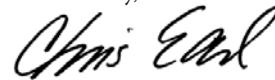
- With so many claims paid in-network, the vast majority of members never have to learn what the term "balance billing" means.
- Because of the sheer size of our networks, disruption is a non-factor. Members rarely have to switch dentists to take advantage of the network. It's highly likely they're already seeing a contracted dentist.

In today's changing marketplace, demonstrating sustainable value to a client is more important than ever. That makes our networks a huge differentiator – together with our consistently excellent service, products and experience.

When you talk with carriers that are touting their network size or discounts, I encourage you to dig deeper into their numbers to understand their value propositions. Then check out Delta Dental of Minnesota. We're ideally positioned to deliver unsurpassed value and meet your clients' needs in every corner of the state.

Thanks as always for working with Delta Dental of Minnesota.

Sincerely,



Chris Earl – Chief Sales Officer  
Delta Dental of Minnesota



# MEETING HIGH SERVICE STANDARDS — YEAR AFTER YEAR

A carrier that consistently does the “little things” right can make a big difference in terms of client satisfaction and ultimately retention. Paying claims on time, ensuring accurate payments, answering phone calls quickly and resolving questions on the first call are the basics when it comes to servicing a client – but if a carrier slips or falls short in any of these areas, clients will quickly look elsewhere.

When you place a group with Delta Dental of Minnesota, you never have to worry about service. Here’s a recap of our service results for the past 3 years:

	2009	2008	2007
<b>Percent of claims turned around in 10 business days</b>	99.44%	99.35%	98.16%
<b>Average number of days for claims turnaround</b>	1.47	1.84	2.58
<b>Claim processing accuracy</b>	99.76%	99.79%	99.68%
<b>Claim payment financial accuracy</b>	99.94%	99.88%	99.80%
<b>Questions or issues resolved during first call</b>	97.36%	97.37%	97.72%
<b>Average phone response time</b>	6 seconds	15 seconds	10 seconds
<b>Claims processed</b>	6 million	5.8 million	5.6 million

Beyond our service metrics, we also ask our brokers, subscribers and groups for feedback to help us improve our performance. **Here’s what we learned through our most recent surveys:**

- **Four out of five brokers** said we are better or much better compared to the best other insurance company they know.
- **92.4 percent** of our subscribers would recommend us to a friend who was looking for a dental plan.
- **97.2 percent** of claimants are satisfied with the quality of our service.
- **94.4 percent** were satisfied with our claims processing quality.
- **84 percent** of group administrators consider us superior to competitors.

# HEALTH CARE REFORM – DEPENDENT AGE TO 26

The recent health care reform legislation includes a provision to raise dependent health care coverage to age 26 effective September 23, 2010. Although the law does not apply to standalone dental coverage, for pooled groups, Delta Dental of Minnesota is automatically extending dental benefits of covered dependents from age 25 to age 26, regardless of full-time student status. This is offered as an option to individually rated and ASO groups.

Pooled Fully Insured Groups: Dental benefits are automatically extended to covered dependents to age 26 effective June 1, 2010. We are doing this to allow young people who reach age 25 on or after June 1 to remain on their parents' dental plan for another year. As of June 1, we stopped terminating dependents who reach age 25. If you have any questions, please contact Delta Dental Connect at 1-800-906-5250.

Individually Rated Fully Insured Groups: Groups have the option of extending dependent coverage to age 26. If your groups choose to do so, the change can be effective June 1, 2010, or at renewal. Please advise your groups to contact their account manager to discuss this option.

Self-Insured (ASO “Administrative Services Only”)

Groups: Groups have the option of extending dependent coverage to age 26. If your groups choose to do so, the change can be effective June 1, 2010, or at renewal. Please advise your groups to contact their account manager to discuss this option.

Note: If your clients' subscribers have any dependents age 25 to 26 not wanting to continue coverage, they should notify their employer. Dependents who lost their coverage prior to June 1 due to the plan's age limit may be re-enrolled. Re-enrollment should be completed by August 1, 2010. Dependents may also enroll during open enrollment, if applicable to your groups. The effective date of the dependent's coverage is based on the date the group's dependent age change takes effect. Please ask your groups to advise Delta Dental of such changes via the same method they normally communicate eligibility changes.



## COBRA SUBSIDY EXTENSION

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended, provides for premium reductions for health benefits under COBRA. Premium assistance is also available for continuation coverage under certain State laws. “Assistance Eligible Individuals” (AEIs) may receive a subsidy for 65 percent of the premium, paying only 35 percent of their COBRA premiums. The premium reduction applies to periods of health and dental coverage that began on or after February 17, 2009, and lasts for up to 15 months.

### Eligibility for the Premium Reduction

The federal government has extended the COBRA subsidy a number of times since ARRA's inception. As of press time: An “AEI” is the employee or a member of his/her family who elects COBRA coverage following a qualifying event related to an involuntary termination of employment that occurs at any point from:

- September 1, 2008, through May 31, 2010; or
- March 2, 2010, through May 31, 2010 if:
  - the involuntary termination follows a qualifying event that was a reduction of hours; and
  - the reduction of hours occurred at any time from September 1, 2008 through May 31, 2010 (a reduction of hours is a qualifying event when the employee and his/her family lose coverage because the employee, though still employed, is no longer working enough hours to satisfy the group health plan's eligibility requirements).

For detailed information and to stay informed of future extensions of the COBRA Subsidy, visit [www.deltadentalmn.org](http://www.deltadentalmn.org) and click “Brokers” on the left side of the page, advise your clients to consult their tax attorney or financial adviser, or visit [www.dol.gov/cobra](http://www.dol.gov/cobra).

# DID YOU KNOW? WE PAY 10% FLAT COMMISSION FOR POOLED GROUP SALES AND RENEWALS.

That's top dollar in the market. Add to it all the ways we simplify your life:

- Flexible products
- The largest dentist network in the state and country
- Consistent, predictable rates
- Financial strength and stability
- An impeccable reputation as the Minnesota-based leader for 40+ years
- Fast quotes online or by phone

- Delta Dental Connect, a dedicated broker support team
- Fast, accurate implementation and group set-up
- World-class service and claims handling

You'd be hard-pressed to find a more profitable economic equation for brokers, or better value for clients large or small.



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