

BrokerUpdate

Spring 2004

Low-cost/no-cost plans available

As health care costs skyrocket, benefit dollars don't go as far as they used to. Many of your clients may think they have to choose between a quality dental plan and an affordable one, or drop dental altogether. Tell them about Dental FlexSM.

Dental Flex is Delta Dental's newest and most affordable pooled plan. It uses waiting periods and the largest networks in the state to keep costs low while offering great coverage.

Employers may contribute as much or as little as they like—or nothing at all—toward their employees' plan. Or, they may vary their contribution from year to year to reflect their business' success.

Dental Flex is just one of a suite of affordable dental plans.

There's a plan that's right for any budget. And all plans come with the same great service brokers and group administrators have come to expect from Delta Dental.

**To learn more,
contact Delta Dental.**

For groups with 5-99 employees:
DeltaConnect at
651-406-5920 or 800-906-5250.

For groups with 100 or more:
Delta Dental sales representative at
651-406-5900 or 800-328-1188.

2004 rate increases just 0-6%

For the second year in a row, Delta Dental's group clients are experiencing very modest rate increases or no increases at all.

Our small group rate increases range from 0-6%, and our large group rates are also very stable.

Delta Dental's 2004 large group rate increases are based

on a 6.5% trend—lower than the industry average. The trend represents the inflation in reimbursement and utilization we anticipate from 2003-2004. The cost savings members receive from Minnesota's largest dental networks gives us the ability to deliver lower rate increases than our competitors.

We're able to keep rates affordable because:

- We offer the two largest networks in the state. We estimate more than 96% of Twin Cities metropolitan dentists and 80% of dentists statewide participate in our networks. Our relationship with these providers leads to lower claims costs.
- We operate very efficiently, with a lower than average percentage of premium dollars going to operating costs.

At Delta Dental, we're committed to passing those savings on to your clients.

Pooled Plan 2004 Rate Increase	
DeltaPremier® Program	0-4% <small>(Preventive, Basic, Comprehensive Standard, and Comprehensive Enhanced)</small>
DeltaPreferred Option® Program	0-2%
Millennium Choice	4-6%
Voluntary Program	
Discover	6%
Dental Flex	0%

Inside

National network access for all DDPM clients

Survey results in . . . customer satisfaction high

Mailers directed at small businesses



A special broker event

This fall watch for a special conference for our brokers featuring excellent speakers, refreshments and fabulous prizes. We're choosing topics to cover at this conference now. If there are specific topics you'd like to learn more about, let us know. Call Renae Styve-Krmpotich, manager of Corporate Small Group Sales and Marketing, 651-994-5255.

Delta Dental networks continue to be Minnesota's largest

Thanks to our active approach to network management, Delta Dental continues to maintain Minnesota's most extensive dental network with more than 80% of the state's licensed, practicing dentists participating.

"We have developed a comprehensive dental network management strategy," said Nancy McMorran, senior vice president, Professional Services. "We monitor our networks on an ongoing basis and take a proactive approach to ensure that our customers' needs are met."

In 2003, our Professional Services staff conducted more than 1,100 onsite dental clinic visits. The department also hosted workshops for dental office administrators and launched numerous recruitment, retention and quality improvement initiatives.

"The onsite clinic visits are an especially important part of our ongoing efforts to maintain top notch dental networks in Minnesota," said McMorran. "Delta Dental's network representatives are assigned geographic areas, allowing them to develop strong one-on-one relationships with area dentists, which in turn benefits our customers."

Overall, Delta Dental offers plan participants a choice of more than 3,800 Minnesota dentist office locations that accept Delta Dental coverage. Nationwide, three out of four dentists — or more than 141,000 dental office locations — participate in the DeltaUSA® network, the largest dental network in the United States.

Ongoing dentist shortage

A key issue facing the dental industry is that while the demand for dental cover-

age has grown, the supply of dentists in Minnesota and throughout the country has remained static or in certain geographic areas — such as areas of rural Minnesota — has declined.

According to a January 2003 article in the St. Cloud Times, the University of Minnesota School of Dentistry estimates that over the next 10 years, Minnesota will be losing 22-30% of its dentists to retirement. At the same time, the number of students enrolled in the University of Minnesota School of Dentistry has dropped to 92, down from an average of 150 in the 1970s. Certain rural areas have also been affected, as graduates opt to settle in major metropolitan areas due to better job opportunities for spouses.

Simultaneously, demand for dental coverage has increased. The National Association of Dental Plans estimates that about 61% of the U.S. population has dental benefits. This number is expected to grow to 65% by 2005. This signifies a rapid increase in popularity of dental benefits compared to 1970, when approximately

6% of the population had dental coverage.

According to McMorran. "While the dentist shortage has not had a major effect on our networks, we've minimized potential disruptions to our customers by taking a very aggressive approach to maintaining our network strength through ongoing recruitment and retention activities, especially in certain parts of rural Minnesota."

In 2004 Delta Dental will continue to address network issues with more than 500 onsite visits planned to participating dentists, workshops for office administrators in three Minnesota locations, and participation in the Minnesota dental convention, among other initiatives.

In addition, new monthly reporting systems are slated for implementation in 2004 to track dentists' participation by county, city, zip code and specialty which will provide up-to-date information for recruiters to identify and act on potential access concerns resulting from participating dentists' deaths, retirements, moves out-of-state, and voluntary and involuntary terminations.



Ask Valerie

Valerie Sorenson is Vice President of Sales and Marketing at Delta Dental Plan of Minnesota. If you have questions you would like us to address in Broker Update, please send them to Editor, Marketing Support, Delta Dental Plan of Minnesota, 3560 Delta Dental Drive, Eagan, MN 55122-3166.

Question:

What percentage of Delta Dental clients renew their contract with us each year?

Answer:

At Delta Dental we are very proud of our high client retention. For example, for January 2004, our busiest renewal month, we retained 94.6% of our pooled group membership, 96% of our risk groups, and 97% of our ASO large groups. We attribute this success to our competitive prices and unbeatable service.

To learn more about our competitive rates, see the article on page 1. An article about our service is on page 3.

Question:

What is the most common annual plan maximum?

Answer:

Approximately 90% of groups continue to have a \$1,000 annual plan maximum. Some choose a richer plan as a way to help attract and retain talented employees in a competitive marketplace.

Great news for multistate companies . . . National network now available to all DDPM clients

All Delta Dental Plan of Minnesota members with network coverage may now see any Delta Dental provider across the country and receive in-network benefits.

That's especially great news if you have employees who work or live out of state. It's also a benefit to all DDPM members who require dental care while traveling outside of Minnesota.

This change gives our members even greater access to network savings. Taking advantage of these savings is easy because of the size of our network. Did you know that Delta Dental has the nation's largest dental network, with three of every four U.S. dentists participating in our

network at more than 141,000 dental locations?

When members choose a network provider, they benefit from:

Lower out-of-pocket costs.

Network providers are reimbursed at a set rate and do not bill members for the difference between this rate and their usual fee.

No paperwork.

Network dentists bill us, and we pay them directly, eliminating time-consuming paperwork for members.

Members may visit us on the web at www.deltadentalmn.org and click on the Dentist Search icon to locate a provider.

Excellent service all the way

It's not enough to get your business. We want to keep it. That's why we're so committed to providing excellent customer service from enrollment through claims.

When members call, we'll answer in just 13 seconds on average. When they submit claims, we'll typically pay them in just 5 days.

Our 2003 annual customer satisfaction survey shows that our efforts are paying off:

- ★ 94% of claimants rate our claims turnaround time positively.
- ★ 91% of claimants say that they're pleased with our service.
- ★ 91% of callers give our customer service representatives a positive rating, citing the courteous, helpful service received.
- ★ 97% rated the service received from their dental office as good or better.

Delta Dental Plan of Minnesota places such a high priority on customer satisfaction that we survey our members each month, looking for ways to improve our service and products.

We have special customer service units designed to meet the needs of group administrators, brokers, and members.

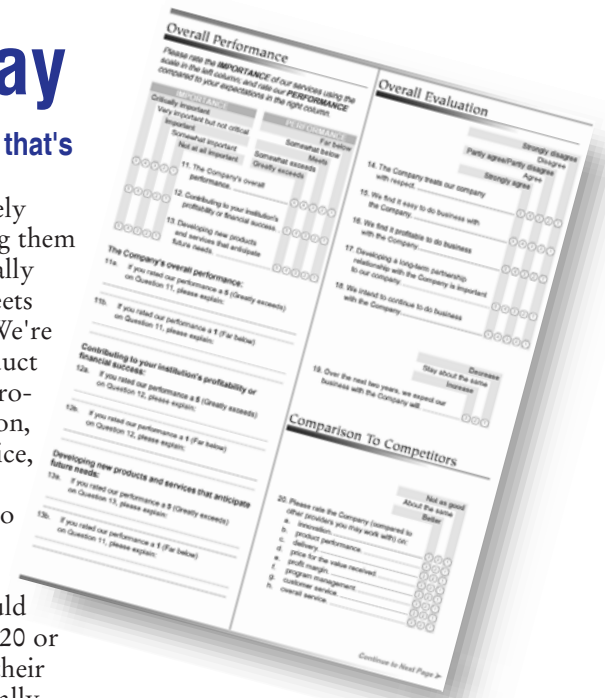
We help you choose the plan that's right for your clients

Our sales team works closely with brokers and groups, helping them select or—for large groups—specially design a dental plan that best meets the group's needs and budget. We're ready to help with rate and product information, requests for sales proposals, new group implementation, on-site education, post-sale service, and renewal information. At Delta Dental, we're committed to helping groups fully understand their benefits.

Pooled group brokers should call DeltaConnect at 651-406-5920 or toll free at 800-906-5250 for all their sales needs. Brokers of individually rated groups should call our Sales Department at 651-406-5900 or toll free at 800-328-1188.

Enjoy world-class service

Once a group becomes a Delta Dental client, our Employer Services staff takes over. Brokers have just one number to call—the Employer Services phone line—for questions about eligibility requirements; paper, electronic and online enrollment; benefits; claims; locating participating providers; and billing. Clients may also order enrollment, maintenance, and claim forms through Employer Services. Call Employer



Services at 651-994-5300 or toll free at 866-318-9449.

For our members

We also have a customer service unit dedicated to answering members' questions about enrollment, benefits, claims, billing and more. Delta Dental Plan of Minnesota members may call 651-406-5916 or toll free at 800-553-9536. DeltaUSA members may call 651-406-5901 or toll free at 800-448-3815.

We are always interested in your feedback about our products and service.

Oral Health Tips available via e-mail to small and large groups

Here's a value-added feature to share with your clients: Each month, at no charge, we will e-mail group administrators informative, professionally designed oral health tips for their employees. All they have to do is send their e-mail address to: deltacconnect@deltadentalmn.org and ask to be added to the list.

These tips include valuable information on such topics as proper brushing and flossing, oral cancer, and the role diet plays in oral health.

Group administrators may use these PDFs in their internal

newsletters, print and distribute them with their employees' paychecks, or e-mail them to their staff.

We have received a very positive response to this program from our group administrators and members. It's just one of the many ways Delta Dental strives to set itself apart from the competition.

These tips are also available at www.deltadentalmn.org.

Healthy Smiles Tip:

Tongue Piercing: Don't be tongue-tied if you think you want it pierced.

Ask your dentist first! Tongue piercings can result in oral piercings. Tongue, cheek and lip piercing may not be as cool—or as safe—as you might think. Besides the pain of the procedure itself (typically done without anesthesia), there can be long-term negative consequences for your teeth, speech and overall health as a result of the piercing as well as the mouth jewelry.

For these reasons, oral piercing is not recommended by dental professionals.



- A risk with real risks:**
 - Infection around piercing site. The result is a hole in the tissue.
 - Coagulative bleeding can result if the piercing device pierces a tongue blood vessel.
 - Possible nerve damage and permanent numbness around the site. Complete numbness of tongue (which is vital for speaking) can follow and is often permanent.
 - When it is no longer easy to see or feel, even by the person who did the piercing.
 - It can be difficult to locate the base of the tongue if the piercing is done by someone other than the dentist.
 - Increased likelihood of secondary infection because oral bacteria can enter the bloodstream. Infection can occur even in the teeth with the piercing.

- Complications from mouth jewelry:**
 - Chipped or cracked teeth from contact with ornaments such as studs, barbells and hoops at tongue, lip or cheek.
 - Gum injury and chronic irritation if jewelry is constantly rubbing or chafing tissue.
 - Difficulty in chewing, swallowing and speaking.
 - Slurred speech caused by excessive saliva production stimulated by jewelry.
 - Oral hygiene problems around the jewelry.
 - Cracking, chipping or loss of loose mouth jewelry.

Because of the numerous possible negative dental and health outcomes, the American Dental Association opposes oral piercing. When young people consider oral piercing, they should be advised to take the time to talk to their dentist to learn why piercings of the mouth are not recommended.

For more oral health information, please visit our Web site at deltadentalmn.org.

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Healthy Smiles
A child's first visit to the Academy of Pediatric Dentistry is an important early start for a lifelong healthy smile. Professional evaluation, instruction, and treatment by a dentist are important components of the following goals for all levels. A visit to an oral care health care provider every year for your child's oral health and overall well-being.

Reasons to begin a preventive program include dental problems that begin early. A key reason is that by 36 months, 25% of children have dental decay or nursing caries. Your child could take away more than just a loose filling or a bad night if they don't consistently brush their teeth.

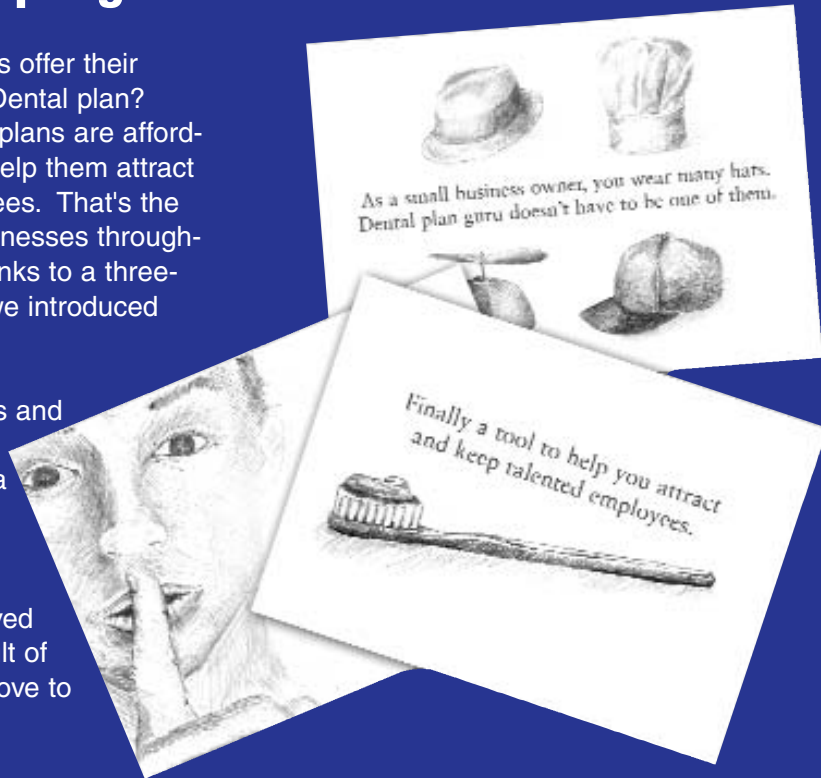
Professional evaluation, instruction, and treatment by a dentist are important components of the following goals for all levels. A visit to an oral care health care provider every year for your child's oral health and overall well-being.

Direct mail campaign directed at small businesses

Why should employers offer their employees a Delta Dental plan? Because our dental plans are affordable, hassle-free, and will help them attract and retain talented employees. That's the message 15,000 small businesses throughout Minnesota received thanks to a three-part direct mail campaign we introduced this March.

Small business owners and managers were asked to contact their broker or Delta Dental for more information about our dental plans.

We hope you've received many sales leads as a result of this campaign. If so, we'd love to hear about it.



BrokerUpdate is published for participating brokers. Article ideas and questions from readers are welcome. **Publisher:** Delta Dental Plan of Minnesota. **Send questions or comments to:** Cathy Schmidtke, Editor, Marketing Communications, Delta Dental Plan of Minnesota, 3560 Delta Dental Drive, Eagan, MN 55122, E-mail: cschmidtke@deltadentalmn.org.