

DELTA DENTAL OF MINNESOTA EMPLOYER
UPDATE

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STABILITY IN TOUGH ECONOMIC TIMES

The headlines remind us every day: We are in a lean economy and many businesses are feeling the crunch. Yet despite the tough economy, 98% of our large groups remain with us into 2010. Employers recognize the value employees place on dental care. In fact, dental coverage rates among the top benefits to attract and retain employees along with medical insurance, retirement plans and Rx drug coverage.

During these tough economic times, our message remains the same: By choosing Delta Dental of Minnesota, our customers, groups of all sizes, can be confident in the stability and service that have made us the state's leading dental benefits provider for more than 40 years.

Stability

- **Our rates are consistent.** In 2010, renewal rate increases for our pooled plans range from 0 to 3 percent, and over the past six years the average rate increase for our commercial pooled products has been 3.5 percent or less a year.
- **Largest network.** Delta Dental Premier® is the largest network in Minnesota and across the country. In Minnesota, it's nearly 1.5 times larger than the closest competing network – that's an additional 750+ dentists.

- **Top financial ratings.** For 11 consecutive years, we've earned an "A" rating (Excellent) from A.M. Best.

Service

- **Personal service through Delta Dental ConnectSM** Our dedicated team works exclusively with small group customers. It's a model you won't find anywhere else in Minnesota. Our Connect team has an average phone response time of 4 seconds and our call quality measures at 98 percent.

To ensure our service levels remain high, we hired an additional six new customer service employees in our Iron Range facility in 2009 to assist with our membership increases.

- **Unmatched customer service.** In 2009, more than 99 percent of claims were paid in 10 business days with 99 percent processing and payment accuracy. Phone calls were answered in an average of 6 seconds. More than 97 percent of questions were resolved during the first call.



SETTING HIGH STANDARDS

Meeting the needs of our customers is Delta Dental's top priority. As part of this commitment, we conduct regular satisfaction surveys to learn how we are doing.

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 quality of service
94.4 percent indicated that our claims processing quality was good or better
84 percent of group administrators consider us superior to competitors

We attribute these high percentages, in part, to our quality service.

SERVICE STATS SNAPSHOT

	2009	2008	2007
Percent of claims turned around in 10 business days	99.44	99.35	98.16
Average number of days for claims turnaround	1.47	1.84	2.58
Claim processing accuracy of audited claims	99.76%	99.79%	99.68%
Claim payment financial accuracy of audited claims	99.94%	99.88%	99.80%
Questions or issues resolved during first call	97.36%	97.37%	97.72%
Claims processed	6.2 million	6.0 million	5.6 million

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 and click on Employers, consult your tax attorney or financial adviser, or visit www.dol.gov/cobra.

Source: Fact Sheet, U.S. Department of Labor, Employee Benefits Security Administration

TOOTH FAIRY POLL®

The results of the 2010 Tooth Fairy Poll are in: Tooth Fairy giving is bouncing back. In Minnesota, children receive an average of \$1.96 per tooth, which increased significantly from last year's average of \$1.62 – a 21 percent increase. Nationally the average is \$2.13, which is a 13 percent increase over last year's average of \$1.88.

More News:

- Nearly half of children's first dental visits occur by age two, which is a move in the right direction. The American Dental Association recommends that a child be seen by a dentist as soon as his or her first tooth erupts, but at least no later than the child's first birthday.
- Approximately 90 percent of parents surveyed state their children receive a dental exam every six months. The frequency of dental visits should be determined by the child's dentist, based on an assessment of the child's unique oral health needs. This process ensures that each child receives the most appropriate dental care.
- Approximately 56 percent of the survey-takers did not know that tooth decay is contagious, transmissible and a bacterial infection. However, we were pleased to learn that 60.8 percent changed their toothbrush after the cold or flu.

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 were 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 reached age 25. If you have any questions, please contact Delta Dental Connect at 651-406-5920 (local) or 1-800-906-5250 (toll free).

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

Self-Insured (ASO "Administrative Services Only") Groups: Your group has the option of extending dependent coverage to age 26. If you choose to do so, the change can be effective June 1, 2010 or at renewal. Please contact your account manager to discuss this option.

Note: If any subscribers have dependents age 25 to 26 not wanting to continue coverage, they should notify you (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 group. The effective date of the dependent's coverage is based on the date the group's dependent age change takes effect. Please advise Delta Dental of such changes via the same method you normally communicate eligibility changes.

ASK OUR BILLING DEPARTMENT

Q: Where do I send enrollment changes?

A: The Subscriber Listing reports your current enrolled employees. Please review the list to determine if changes are needed. Please do not make changes on the list itself. Submit your changes to us using the same method you normally use to communicate eligibility changes.

Please do not mail enrollment changes with your payment.

Q: Where do I send our payment?

A: Fully insured groups should send payments to:

Delta Dental of Minnesota
NW 5772
P.O. Box 1450
Minneapolis, MN 55485-5772

Self-insured groups should send payments to:

Delta Dental of Minnesota
NW 6115
P.O. Box 1450
Minneapolis, MN 55485-6115

For timely and accurate processing, be sure to return your Statement along with your payment.

Q: Can I pay our invoice electronically?

A: Delta Dental makes it easy to pay your invoices. Eliminate paper checks with our Automated Clearinghouse (ACH) method. Top reasons to switch to ACH:

- **Convenient** – save time, no manual check writing/signing process
- **Cost effective** – fully insured groups receive a ¼% discount on current rates and save cost of checks and postage
- **Accurate** – billing date is extended one week later, allowing more enrollment updates to process
- **Good for the environment** – go green and save paper and ink

Payments are automatically deducted from your checking or savings account on a scheduled payment due date.

To sign up for ACH, complete the ACH Authorization Form on our Web site, www.deltadentalmn.org. Click on Employers > Forms & Publications.

Further questions? Please call our Billing and A/R Department at 1-800-906-4702.

SPREADING SMILES

The Smiles Across Minnesota program is expanding. In addition to the Twin Cities location, we've expanded to other communities across Minnesota including Duluth, St. Cloud, Rochester, Mankato and the Iron Range. Delta Dental of Minnesota supports Smiles Across Minnesota, which helps fill gaps that exist in each community.

Smiles Across Minnesota is one of the most successful coalitions of Oral Health America's Smiles Across America program, which focuses on providing school-based

dental care to low income and uninsured children. Smiles Across Minnesota is a great opportunity to help identify which dental services can be referred to local community practitioners. (Similar to when schools screen for scoliosis and vision within the schools.) One of our primary goals is to help students and their families find and establish a dental home within their community. For more information on Smiles Across Minnesota, visit www.deltadentalmn.org. Click on Community Involvement > News & Events.

Employer Services –
One number for all your post-sale questions

651-994-5300 (locally)

1-866-318-9449 (toll-free)

Option 1 for Paper Enrollment

Option 2 for Electronic and Online Enrollment

Option 3 for Billing

Option 4 for Group Administrator Helpline

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www.deltadentalmn.org

Delta Dental of Minnesota
3560 Delta Dental Drive
Eagan, MN 55122-3166

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