

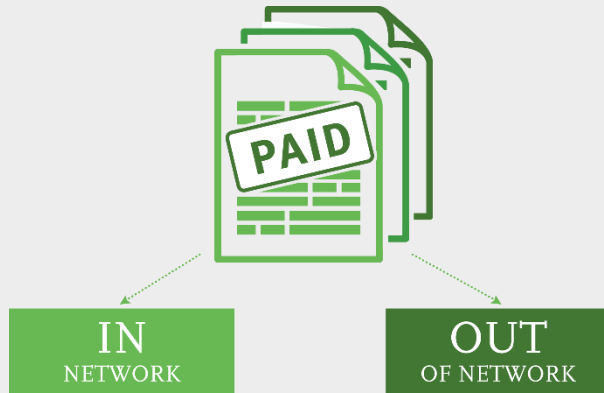
Effective Discount

A measure of cost savings
and network strength

Updated July 2017



Defining Effective Discount



Effective Discount =
savings on all claims paid
both in *and* out of network

- **PPO discount** for using Delta Dental PPOSM dentist
- **Premier discount** for using Delta Dental Premier[®] dentist
- **Fee discount** for using non-participating dentist

Leading the industry

Delta Dental's PPOSM plan
delivers the industry's
best effective discount –
averaging 25.3 percent nationally.

Independent study methodology

- **Eighteen companies** offering dental coverage participated
- One full calendar year of **actual claims data** examined (not fee schedules)
- Compared to **baseline** of average charges
 - Established using FAIR Health data
 - Consistent across all companies, geographies and procedures

Factors influencing Effective Discount

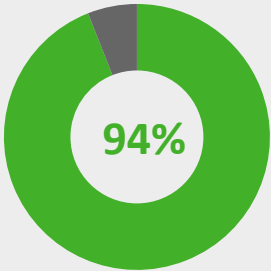
1

Large
Network
Size



2

High
Network
Utilization



3

Direct
Network
Approach



Delivering the best effective discount

1 Large Network Size

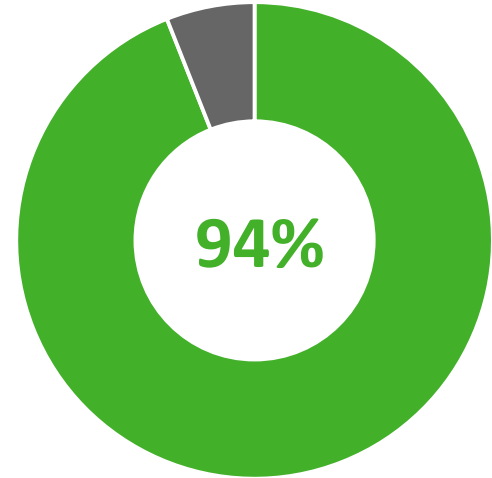
- Largest network nationwide
- More than 148,000 unique dentists



Delivering the best effective discount

2 High Network Utilization

- Delta Dental's PPO plus Premier average network utilization rate of more than 94 percent
- Competitor average is 63 percent



Delivering the best effective discount

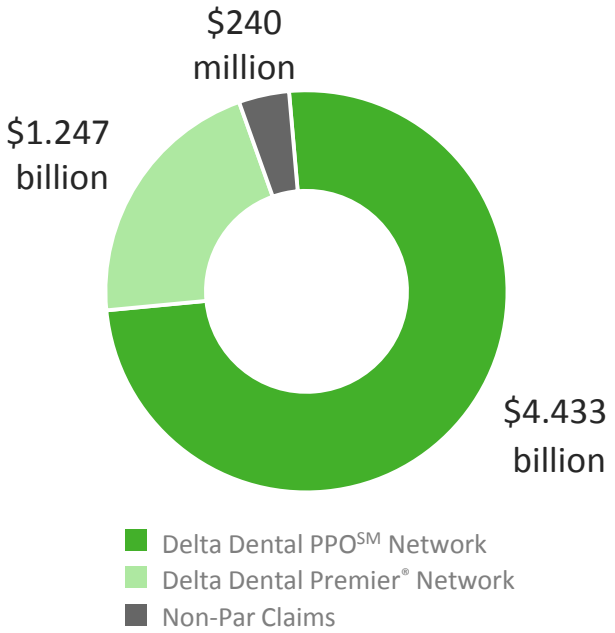
3 Direct Network Approach

- Never lease networks
- Local staff members foster relationships
- Establish fair reimbursement rates
- Maintain network stability



Effective Discount equals savings

More than
\$5.9 BILLION
in annual savings.*



*As compared to dentists' average charges.
Source: Ruark Consulting LLC's 2016 Dental PPO Network Study

Know the numbers behind your carrier's network



Delta Dental offers access to the **largest network nationwide** with more than 148,000 unique dentists – and an **industry-leading effective discount** averaging 25.3 percent nationally.

How do we arrive at these numbers?

Methods of counting dentists differ



Some carriers **count dentists twice.**

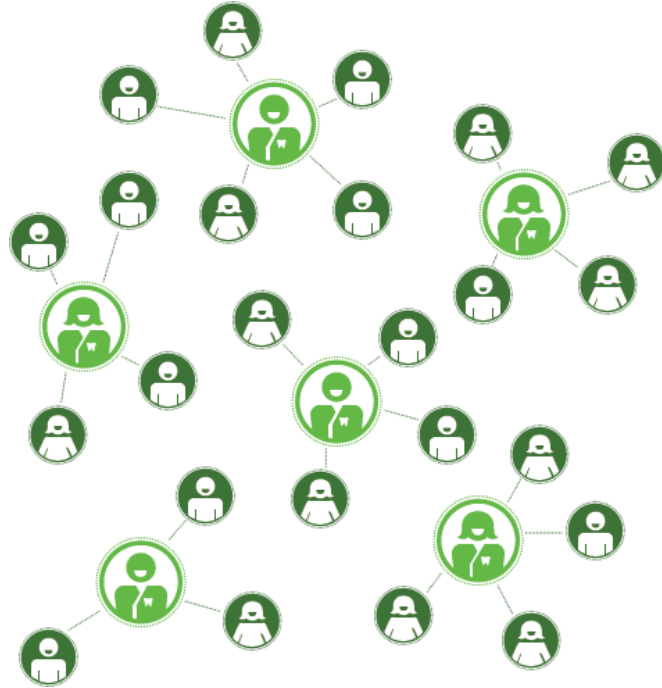


Some carriers **count every dentist in every clinic in the chain.**



Delta Dental always counts unique **individual dentists.**

Measuring access



Number of unique individual dentists is **a strong measure of access.**

Count on our network numbers



At Delta Dental, we don't lease our networks. Our local staff members **foster relationships directly with dentists.**

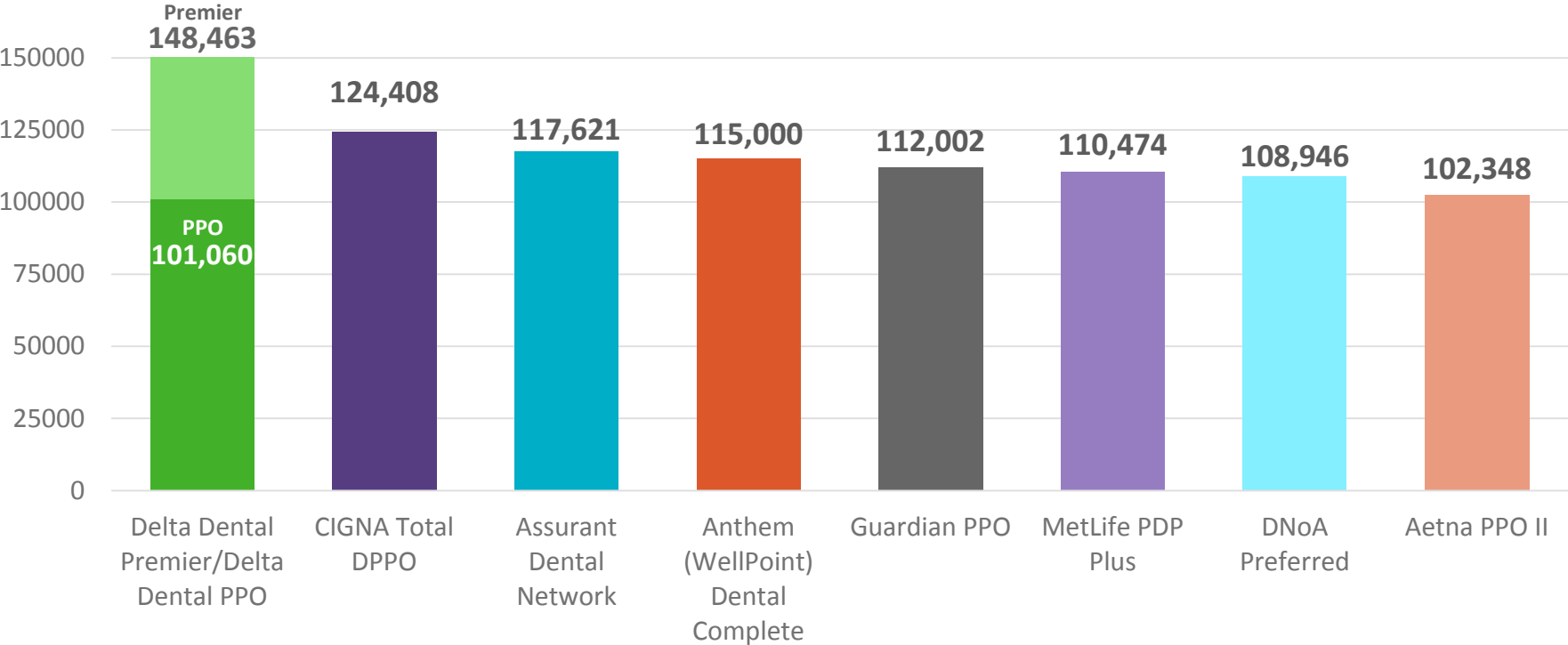
- Have dentists retired?
- Have dentists reduced their workload?
- Have dentists moved?



At Delta Dental, we:

- Regularly **validate and update** network numbers
- Rely on a **third-party resource** to analyze data
- Provide groups and enrollees with an **accurate assessment**

Count on our network numbers



Source: March 2017 Independent NetMinder Data



Take a second look

Ask your carrier:

- How do you calculate your network size?
- How frequently are your numbers updated?
- Do you lease your network or manage it directly?
- How often will enrollees be able to seek services from their preferred dentists?

