

Broker News

AUGUST 2008



2007 Cost Containment Report Released

Groups saved more than \$216.4 million in 2007 as part of our cost containment programs. We also paid nearly \$447.3 million in claims.

Those are some of the findings from our 2007 Cost Containment Report.

The report shows how we help groups manage their benefits costs. It identifies eight areas of cost containment savings: in-network savings, non-billable services, contractual limitations, eligibility verification, non-covered services, dental consultant review, optional services, and COB savings.

To view the entire 2007 Cost Containment Report, visit our Web site at www.deltadentalnj.com; click “Brokers” and “Cost Containment Report” under the “Reports and Surveys” heading.

Carryover MaxSM Lets Members Bank Unused Benefit Dollars for Future Care

We’ve introduced a new benefit option that gives group contract holders the opportunity to provide members greater flexibility and access to their dental benefits, without any first-year increase in premium.

The Carryover Max option allows members to carry over a portion of their unused standard annual maximum benefit limit into the next year—and beyond. Carryover Max is an option for all fully insured and self-insured groups in New Jersey and self-insured groups in Connecticut. There will be no first-year rate impact for fully insured groups who elect the rider.

This benefit feature enables members to save some of their benefits to cover more expensive dental procedures—such as bridges, crowns, and root canals—in later years.

We believe that the primary purpose of dental benefits is to help people maintain good oral health. Ongoing preventive care such as regular dental visits and cleanings help prevent costly and painful dental problems.

More information about Carryover Max is available at www.deltadentalnj.com, click “About Us” and “Products.” For more information, call our Marketing Department at (800) 624-2633 and you will be able to speak with an account executive.

“Carryover Max gives people more choices so they can make benefit decisions that work best for them,” says Mark Nadeau, Vice President, Marketing.

Carryover Max at a Glance

Eligible groups: Carryover Max is an option available to all fully insured and self-insured groups in New Jersey and self-insured groups in Connecticut.

Eligible plans: All dental plans except DeltaCare and Delta Dental Patient Direct.

Cost to groups: There will be no first-year rate impact for fully insured groups who elect the rider. In future years a rate impact is possible depending on experience.

How it works: Before members can carry over benefits, they must receive at least one cleaning or oral exam during the plan year. Then members who use less than half of their standard annual maximum can roll over 25% of the unused portion of their standard annual maximum to the next year, up to \$500, to save for future procedures. The accumulated Carryover Max cannot exceed the member’s standard annual maximum amount. The Carryover Max Allowance is not applicable for the separate orthodontic lifetime maximum.

Carryover Max Lets Members Bank for Future Care

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Carryover Max in Action

The chart below is a four-year example of how Carryover Max is applied based

on a member's standard annual maximum amount of \$1,000.

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	Year 1	Year 2	Year 3	Year 4
Standard annual maximum amount	\$1,000	\$1,000	\$1,000	\$1,000
Carryover amount from previous year	N/A	\$150	\$150	\$50
Total benefit dollars available	\$1,000	\$1,150	\$1,150	\$1,050
Total claims paid*	\$400 (less than \$500)	\$800 (more than \$500)	\$1,100** (more than \$500)	\$300 (less than \$500)
Cleaning or oral exam during the prior year	Yes	Yes	Yes	Yes
Carryover amount earned	\$150 (\$1,000-\$400) = 600 x .25 = \$150	\$0 (Used more than one half annual maximum, so not eligible)	\$0 (Used more than one half their annual maximum, so not eligible)	\$175 (\$1,000-\$300) =\$700 x .25 = \$175
Accumulated Carryover Max total available***	\$150	\$150	\$50 (Used \$100 from Year 2 Carryover Max: \$150-\$100=\$50)	\$225 (\$175 + \$50 from previous year)

* If members use less than one half of their annual maximum, then they are eligible for Carryover Max.

** In Year 3, the \$1,000 standard annual maximum was exceeded, but the member had enough Carryover Max dollars accumulated (\$150) to cover the additional \$100 cost.

*** If the member fails to see a dentist at least once during the benefit year for an exam or cleaning and submits a claim to Delta Dental for that service, the accumulated Carryover Max will revert to zero and the member begins another accumulation process.

Winners of Special Olympics Golf Fundraiser Announced

The Eighteenth Annual Delta Dental Classic on May 28th drew almost 100 golfers on a near-perfect spring day. The event, which began in 1991, supports Special Olympics New Jersey (SONJ). While this year's contributions are still being tallied, the Classic raised more than \$609,000 for SONJ through 2007.

Winners include:

1st Place Low Gross (Women): Dr. Leslie Ann Skurla

1st Place Low Gross (Men): Jim Schulz

1st Place Gross Team: Dr. Charles Perle, Dr. Thomas Paglione, Dr. Leslie Ann Skurla, William Montanaro

SONJ is dedicated to helping people with mental disabilities become physically fit, productive, and respected members of society through sports training and competition. Special thanks to all of our participants and sponsors.

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In Connecticut, Delta Dental Insurance Company writes dental coverage on an insured basis and Delta Dental of New Jersey administers self-funded dental benefit programs.



No Deductibles, Copayments, Maximums, or Waiting with New Flagship Complete

Several studies suggest there's a link between good oral care and overall health. Dental benefits play an important role by encouraging people to make regular dental visits. But some people still defer dental care or avoid it entirely because of out-of-pocket expenses associated with deductibles, copayments, and annual maximums.

Flagship Dental Plans, a wholly-owned affiliate of Delta Dental of New Jersey, has developed a new product that meets their needs as well as their employees. Flagship Complete (available only in New Jersey) is a comprehensive, affordable dental option that eliminates deductibles, copayments, maximums, and waiting periods. It is offered in conjunction with other Delta Dental and Flagship plan designs.

Flagship Complete covers 100% of eligible services when members enroll, select, and receive treatment at one of the dental facilities participating in that plan.

More than 25 dental facilities throughout New Jersey currently participate. Not all Flagship participating dentists are in the Flagship Complete program.

Eligible services include preventive exams, x-rays, cleanings, fillings, root canals, treatment of the gums, crowns, dentures, tooth extractions, and other oral surgery procedures. There are certain limits on how often members can receive certain services, such as dental cleanings and x-rays. Orthodontics may be covered, as well.

When members enroll, they select a the dental facility participating with Flagship Complete. That dental facility provides general dentistry services and coordinates specialty care. There are no out-of-pocket expenses for covered services. However, the office can charge for services not covered under the plan.

For more about Flagship Complete, contact your account executive.

New Tool Offers Brokers In-depth Analysis of Member Access to Participating Dentists

The Delta Dental System is proud to have the largest network of participating dentists in the United States. But how can your clients be sure that the Delta Dental system's network is strong where their employees are based?

You can show them.

Delta Dental of New Jersey recently signed a new agreement with Quest Analytics to analyze network access. This agreement has opened a new area of opportunity to analyze network access for *all* size groups.

Our network access reports provide both statistical information and graphical displays. At a glance, you can determine:

- How many (and what percentage) of your client's members have access to participating dentists
- The average distance members must travel to participating dentists
- The numbers of dentists and specialists available in each town where members live

These reports can be customized to meet your needs.

To view a sample of what this tool offers, go to www.deltadentalnj.com. Click "Brokers" and go to the "What's New" section. To request a network analysis for your clients, contact your account executive or call our Marketing Department at (800) 624-2633.

Online Eligibility Submission Now Available Monday Through Saturday

Your clients asked us to expand our eligibility submissions hours, and we listened. Now, employers can submit eligibility changes online **Monday through Friday from 7 a.m. to 10 p.m., and Saturday from 7 a.m. to 1 p.m. EST.**

This secure, online tool makes it easy to enroll and terminate members; make changes, transfers, and reinstatements; and view member profiles.

Benefits managers can also view and print a log of the day's submissions for their files.

If your clients aren't yet submitting eligibility changes online, have them contact our Enrollment Department at (800) 452-9310 to get started.

2007 Annual Report Published

Delta Dental's 2007 Annual Report highlights the many ways we measure our success. These include not only traditional financial metrics, but also by client and member satisfaction, the speed and accuracy by which we deliver our services, and our contributions to the communities we serve.

In 2007, we:

- Retained more than 92% of our customers.
- Processed an all-time high of nearly 3 million claims, with more than 92% processed within two weeks.
- Earned "excellent" or "above average" satisfaction scores from the vast majority of benefits managers, members, and brokers surveyed.
- Exceeded \$500 million in subscription revenue (not counting subsidiary subscription revenue) for the first time in our history.

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New Web Feature Provides Tools to Help Fight Fraud

Health insurance fraud accounts for at least 10% of the annual expenditure on health care in the United States. It costs Americans an estimated \$80 billion a year. Delta Dental is committed to combating dental insurance fraud. We recently launched the "Fight Fraud" section of our Web site to educate brokers, clients, members, and dentists about this costly problem, and provide resources to help eliminate it.

What to Look For

Can your clients' members recognize the signs of fraud? Our Web site includes a comprehensive list of fraudulent insurance practices. Some of these include:

- Submitting claims for services that were never performed.
- Misrepresenting the actual treatment rendered in an attempt to gain benefits.
- Misrepresenting treatment dates in an attempt to gain benefits.
- Billing insurance companies more for a service than what is charged on the patient ledger.
- Misrepresenting the identities of patients, members, or dentists.
- Not charging or collecting full co-payment, deductibles, or extended discounts and failing to disclose it on the claim.

How Patients Can Help Prevent Health Insurance Fraud

Patients play an important role in foiling potential fraud. They can do this by:

- Knowing their benefits. (*Members can check their benefits online using Benefits Connection. Go to www.deltadentalnj.com. Scroll over "Members," click "Benefits Connection," and log on.*)

- Asking about dental fees upfront.
- Never signing a blank claim form.
- Demanding detailed bills for services and checking them for accuracy. Asking for clarification if they see problems or inconsistencies on their bills.
- Reviewing their Explanation of Benefits statements. Making sure "free services" aren't charged to their insurance carrier.

Members should be aware that if someone says they can bill their insurance company so that an uncovered treatment is paid for, they are being pulled

Patients play an important role in foiling potential fraud.

into an illegal scheme. They could lose their insurance coverage and even their job. They risk being arrested, fined, and jailed.

Reporting Fraud

You can report suspected fraud to us in several ways:

- Call our fraud hotline at (888) 696-3262
- E-mail us at reportfraud@deltadentalnj.com
- Fax us at (973) 944-4573
- Write to us at:
Delta Dental of New Jersey
Special Investigations Unit
1639 Route 10
Parsippany, NJ 07054

For more about our efforts to eradicate fraud and how you can help, visit our Web site at www.deltadentalnj.com and click "Fight Fraud" on the left navigation bar.

Sickness vs. Wellness: The Differing Philosophies of Medical, Dental Insurance

Both medical and dental insurance are important benefits to help your clients' members look after their health. But, despite their similarities, medical and dental insurance work very differently. Knowing those differences can help members understand their coverage, and use it wisely.

Medical benefits are broad, and exist to help members manage the potentially catastrophic costs of treatment in the event of disease or accident. The cost of medical insurance is significant for both employers and employees.

According to the Henry J. Kaiser Family Health Foundation's *Employee Health Benefits: 2007 Annual Survey*, employers pay an average of \$12,100 annually while their employees contributed nearly \$3,300 to cover a family of four.

While medical insurance is expensive,

Dental insurance is not meant to cover every single expense at the dental office. It's really dental assistance for dental care.

the cost of going without medical coverage is potentially much higher. The medical bills for a single accident or disease such as cancer can exceed hundreds of thousands of dollars. One study by Harvard University researchers found that 50% of all bankruptcy filings in the United States are partly the result of medical expenses.¹

Dental benefits, on the other hand, focus on prevention. They are designed to encourage members to visit the dentist regularly and take an active role in their oral health.

Dental benefits reward members for taking steps to stay healthy—by covering preventive and diagnostic exams—instead of waiting until problems occur to see the dentist.

Dental insurance is not meant to cover every single expense at the dental office. It's really dental assistance for dental care.

Our clients (not Delta Dental) choose the details of the specific benefit program. Decisions about plan maximums, deductibles, and co-pays are chosen by employers based on what is best for their employees and for the company.

There are many sound reasons employers offer dental insurance. Every \$1 spent on prevention saves on average \$4 on dental treatment.² Preventing oral health problems helps keep employees healthier—and wealthier—in the long run. Plus, there are strong links between good oral health and good medical health.

2007 Annual Report Published

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- Reached our highest number of subscribers ever—nearly 743,000.
- Donated more than \$500,000 through our Foundation to reach underserved populations in New Jersey and Connecticut.
- Supported dental hygiene and dental assisting programs at high schools and colleges in New Jersey and Connecticut.

To order your free copy of Delta Dental's 2007 Annual Report, visit our Web site at www.deltadentalnj.com. Click "About Us" on the left navigation bar. Then go to "Annual Report."



1 Himmelstein, D., E. Warren, D. Thorne, and S. Woolhandler, "Illness and Injury as Contributors to Bankruptcy," Health Affairs Web Exclusive W5-63, 02 February, 2005.

2 Public Health Reports Vol. 109 No. 2.

Delta Dental PPO plus Premier Gives Members Maximum Access

Delta Dental PPO plus Premier provides the greatest access to the largest number of network providers in the nation.

The charts below illustrate how Delta Dental PPO plus Premier works.

Members can choose any dentist, either in Delta Dental PPO¹ or Delta Dental Premier^{®2}, or any non-participating provider³.

	Delta Dental PPO	Delta Dental Premier	Non-participating Dentists
Number of dentist locations in the United States	106,000	184,000	52,000
Percentage of eligible dentist locations in Delta Dental's national networks	45%	78%	22%

Patient Coverage Comparison Example

	Delta Dental PPO	Delta Dental Premier	Non-participating Dentists
Dental charge for Procedure X	\$1,000	\$1,000	\$1,000
Sample plan payment allowance	\$640	\$800	\$800
Co-payment amount	50%	50%	50%
Delta Dental payment	\$320	\$400	\$400
Patient payment	$\$640 - \$320 = \$320$	$\$800 - \$400 = \$400$	$\$1,000 - \$400 = \$600$

Note: These are hypothetical numbers for illustration purposes and assume no maximum or deductibles apply.

1 Delta Dental PPO is our nationally discounted fee-for-service program. PPO network dentists agree to accept a reduced schedule of payments as compared to Delta Dental Premier dentists.

2 Delta Dental Premier is a top-of-the-line, fee-for-service program that offers the largest network of dentists in the U.S. Delta Dental Premier dentists agree to accept Delta Dental's customary fee levels as payment in full.

3 Non-participating dentists are any dentists who do not participate with Delta Dental.

Foundation Named 'Healthcare Hero' by NJBIZ

The Delta Dental of New Jersey Foundation was honored by NJBIZ as a finalist in its Healthcare Heroes Awards program.

NJBIZ, the leading business publication in New Jersey, created the program to honor individuals and organizations making a significant impact on the quality of healthcare in New Jersey.

Awards were given in nine categories. The Foundation was recognized for its contributions to health education in the community and the industry.

Since 1986, the Foundation has awarded more than \$8 million toward dental research, dental education programs, and dental care for the underserved in New Jersey and Connecticut.



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