

2010 Cost Containment Report

At Delta Dental, “managing costs” doesn’t mean cutting programs. In fact, since 1969 we have helped organizations provide outstanding dental benefits plans that save them and their members money.

Our philosophy is that good oral health is priceless—and we are dedicated to helping to make it both achievable and affordable. That’s why we are so committed to cost containment. **In 2010, our cost containment programs were estimated to save clients nearly \$272 million!**

One way we do this is by providing access to robust nationwide networks of dentists. As part of the Delta Dental Plans Association, we offer both Delta Dental Premier®—a managed fee-for-service plan that has the largest dental network in the country—and Delta Dental PPOSM—a preferred provider option with one of the largest PPO networks nationwide.

Large dental networks make it easy for members to find a participating dentist near them. Besides saving them money, it makes their lives easier. When members see a participating dentist, there’s

no balance billing and no claim forms to file. An overwhelming majority of members are satisfied with their Delta Dental program overall. Employers are satisfied, too; 99% of benefits managers say they would recommend Delta Dental to other benefits managers.

Another way we contain costs is through our claims administration. We strive to ensure that each claim is processed quickly and correctly, according to the provisions of each employer’s benefits program. In survey after survey, benefits managers consistently report high levels of satisfaction with the speed and accuracy of our claims processing.

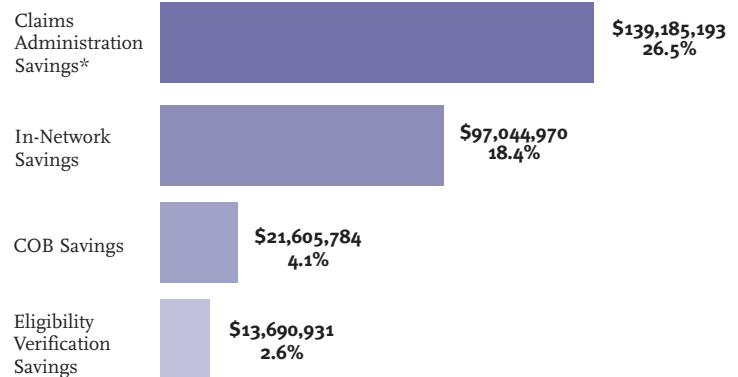
Cost savings. Convenience. Client satisfaction. All while expanding access to good oral health. These have long been hallmarks of Delta Dental benefits programs, and we expect they will be for generations to come.

See the *Distribution of Savings* chart below for a look at our 2010 cost savings. To find out how we can contain benefit expenses for you, please call your Delta Dental account executive at (800) 624-2633.



The Delta Dental of New Jersey Foundation contributes nearly \$1 million each year to increase access to dental care. We help support the Tri-County Toothmobile, a mobile dental unit that travels to Head Start preschools in New Jersey’s Cumberland, Gloucester, and Salem counties. Without the Toothmobile, these kids could face a lifetime of dental problems. Instead, they’re off to a healthy start!
(Photo courtesy of Tri-County Community Action Partnership)

Distribution of Savings



Total savings (\$272 million) as a percentage of total amount of claims paid (\$526 million) approximately 51.6%.

*Claims Administration Savings include the total savings related to Contractual Limitations, Non-Covered Services, Dental Consultant Review, Optional Services, and Non-Billable Services.

Explanation of Terms

1. **Delta Dental**—All claims processed by Delta Dental of New Jersey, Inc. This includes savings for claims it processes relating to contracts that Delta Dental Insurance Company has issued in the State of Connecticut. Claims processed for coverage written by Flagship Dental Plans, Inc., Delta Dental’s affiliate, are excluded from this report.
2. **In-Network Savings**—The amount saved by using network dentists. It’s the difference between participating dentists’ billed charges and Delta Dental’s maximum allowable charges.
3. **Eligibility Verification Savings**—The amount saved by claim denials for a period of patient ineligibility.
4. **COB Savings**—The amount saved by applying a group’s coordination of benefit (COB) provisions. It includes enforcing order of benefit determination rules.
5. **Claims Administration Savings**—Includes the total savings related to Contractual Limitations, Non-Covered Services, Dental Consultant Review, Optional Services, and Non-Billable Services. During the course of Claims Administration activities, a denied service may fall into more than one category. In this situation, Delta Dental has assigned the savings to one category.
 - 5a. **Contractual Limitations**—The amount saved by applying limitations specified in a client’s contract or as part of generally accepted dental practice. Savings may also result from payment reductions to the levels upon which payments for non-participating dentists are based or a client’s table of allowance (if present).
 - 5b. **Non-Covered Services**—The amount saved by claim denials for services not covered under the client’s program.
 - 5c. **Dental Consultant Review**—The amount saved by not covering procedures that are not supported by diagnostic records or that fail to fall within accepted dental care standards based on review by our dental consultants. Also in this category are savings from alternative procedures that are within generally accepted standards of care.
 - 5d. **Optional Services**—The amount saved by not covering dental procedures that Delta Dental considers optional and may be performed at the expense of the patient.
 - 5e. **Non-Billable Services**—The amount saved by Delta Dental not paying for services that participating dentists have agreed not to charge to Delta Dental, the client, or the patient. This also includes services denied as duplicate submissions.
6. **Total Savings**—This is the total amount saved by clients in 2010, excluding amounts not paid due to deductibles, co-payments, and plan maximums. (Savings may include amounts that, if allowed, would have exceeded plan maximums.)