College-wide Benefits Committee
Minutes of the Meeting
September 08, 2011

Present
Fran Chandler, Co-Chair
Marcia Wade, Co-Chair

Al Vasquez
Anna Rojas
Dennis Frisch
Linda Sinclair
Sherri Lee-Lewis
Willis Barton

Assistants
Vanna Ratnaransy, HR Analyst-Leaves & Benefits
Laurie Heyman, HR AA-III-Confidential

Guests
Karen Perry, Retirement Options for Educators
Teresa Campama, Retirement Options for Educators

Karen Marblestone Perry at 650-224-9204 kperry@jhnetwork.com or
Teresa Campama at 714-955-3999 tcampama@jhnetwork.com

The meeting was called to order at 1:32 pm.

Approval of the Minutes

Minutes for the meeting of April 27, 2011
Move to accept the minutes of Draft 2 (revised):

Motion made by: Dennis Frisch
Seconded by: Anna Rojas
Ayes: 8
Noes: 0
Abstain: 0

Minutes for the meeting of May 24, 2011
Revise minutes: page 1 to read: "Review of Plan Options provided to the Committee by Fran Chandler~~,~~ and developed by Fickewirth & Associates and Faculty Association."

Move to accept the minutes as revised:

Motion made by: Linda Sinclair
Seconded by: Dennis Frisch
Ayes: 8
Noes: 0
Abstain: 0

Old Business

LTCi Update. Board of Trustees approved the offering of a voluntary and employee paid LTCi option to full time (20 hrs and above/week) employees and specified a direct pay approach.

Due to high interest on the part of Part-time faculty, TransAmerica has agreed to offer a voluntary, employee paid option to all employees who work less than 20 hours. To be eligible, a part-time employee will have a more extensive underwriting process than the full-time group (but less extensive than 'standard' applications), a phone interview; 5 applications from this group must be accepted and successfully processed; discounted rates will apply to this group as well as to their dependents and family members (same as for full-time employees). There is no threshold for hours for the part-time employee group.

Update re Flex Day: standing room only in the two workshops given by LTCi consultant, Teresa Campama. To-date, there are 40 application appointments.

A home mailer will go out to all part-time employees as will an email campaign. A second home mailer will go out to all full-time employees.

New Business

Discussion re: CalPERS Care vs Choice Comparison per report by Fickeworth & Associates.

Questions: Is the PERS Choice coverage really comparable?
Are there incentives that if it is determined that the plans are not comparable that would still make it worthwhile to change?

2012 Rates provided to committee by V. Ratnaransy:

	Single	Two-Party	Family
PERS Choice	$505.63	$1011.26	$1314.64
PERS Care	$906.34	$1812.78	$2356.61

Issues discussed:

- 43% of CalPERS health benefit eligible employees are enrolled in PERS Care
- Perception that Anthem Blue Cross doctors would only accept PERS Care and not Choice
- Premium cost vs. amount of savings – do premium costs outweigh amount of savings?
- Consider annual expenditures

See attached documents:

- CalPERS 2012 Health Premiums
- Comparison of Member Out-of-Pocket Cost for PERS Care and PERS Choice

Dennis Frisch and Al Vasquez left prior to meeting's end. No quorum present.

Informational topic: Delta Dental PPO plan enhancement.
Handout given comparing the district's current Delta Dental Premier PPO plan with ASCIP's offering of the enhanced PPO Plan. Clarification will be obtained from ASCIP regarding the differences between Premier and PPO network.

See attached document:

- ASCIP Delta Dental Enhanced PPO

Next Meeting:

- Thursday, Oct. 06 1:30pm – 3:00pm Location BUS 111 (Confirmed)
- Wednesday, Nov. 09 1:30pm – 3:00pm Location BUS 111 (Confirmed)
- Tuesday, Dec. 13 12:00pm – 1:30pm Location BUS 220S (Confirmed)

Meeting adjourned approximately 3:00 pm.

CalPERS 2012 Health Premiums - Regional

Contracting Agencies Only

Basic	2011			2012			Percent Change (+/-)
	Single	*2-Party*	*Family*	*Single*	*2-Party*	*Family*	
Basic Premium Rates - Bay Area							
Alameda, Amador, Contra Costa, Marin, Napa, Nevada, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Sutter, Yolo, Yuba							
Blue Shield Access+	$675.51	$1,351.02	$1,756.33	$711.10	$1,422.20	$1,848.86	5.27%
Blue Shield NetValue	581.24	1,162.48	1,511.22	611.59	1,223.18	1,590.13	5.22%
Kaiser CA	568.99	1,137.98	1,479.37	610.44	1,220.88	1,587.14	7.28%
PERS Choice	563.40	1,126.80	1,464.84	574.15	1,148.30	1,492.79	1.91%
PERS Select	492.68	985.36	1,280.97	487.39	974.78	1,267.21	-1.07%
PERSCare	893.95	1,787.90	2,324.27	1,029.23	2,058.46	2,676.00	15.13%
Basic Premium Rates - Sacramento							
El Dorado, Placer, Sacramento							
Blue Shield Access+	$609.14	$1,218.28	$1,583.76	$636.92	$1,273.84	$1,655.99	4.56%
Blue Shield NetValue	541.43	1,082.86	1,407.72	553.09	1,106.18	1,438.03	2.15%
Kaiser CA	524.51	1,049.02	1,363.73	562.69	1,125.38	1,462.99	7.28%
PERS Choice	524.04	1,048.08	1,362.50	534.10	1,068.20	1,388.66	1.92%
PERS Select	458.27	916.54	1,191.50	453.39	906.78	1,178.81	-1.06%
PERSCare	831.50	1,663.00	2,161.90	957.44	1,914.88	2,489.34	15.15%
Basic Premium Rates - Los Angeles Area							
Los Angeles, San Bernardino, Ventura							
Blue Shield Access+	$496.93	$993.86	$1,292.02	$510.72	$1,021.44	$1,327.87	2.78%
Blue Shield NetValue	427.58	855.16	1,111.71	439.25	878.50	1,142.05	2.73%
Kaiser CA	434.00	868.00	1,128.40	465.63	931.26	1,210.64	7.29%
PERS Choice	496.15	992.30	1,289.99	505.63	1,011.26	1,314.64	1.91%
PERS Select	433.87	867.74	1,128.06	429.22	858.44	1,115.97	-1.07%
PERSCare	787.24	1,574.48	2,046.82	906.39	1,812.78	2,356.61	15.14%
Basic Premium Rates - Other Southern California							
Fresno, Imperial, Inyo, Kern, Kings, Madera, Riverside, Orange, San Diego, San Luis Obispo, Santa Barbara, Tulare							
Blue Shield Access+	$567.87	$1,135.74	$1,476.46	$583.60	$1,167.20	$1,517.36	2.77%
Blue Shield NetValue	488.62	977.24	1,270.41	501.93	1,003.86	1,305.02	2.72%
Kaiser CA	477.95	955.90	1,242.67	512.76	1,025.52	1,333.18	7.28%
PERS Choice	516.28	1,032.56	1,342.33	526.19	1,052.38	1,368.09	1.92%
PERS Select	451.48	902.96	1,173.85	446.68	893.36	1,161.37	-1.06%
PERSCare	819.18	1,638.36	2,129.87	943.26	1,886.52	2,452.48	15.15%
Basic Premium Rates - Other Northern California							
Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Plumas, San Benito, Shasta, Sierra, Siskiyou, Stanislaus, Tehama, Trinity, Tuolumne							
Blue Shield Access+	$685.67	$1,371.34	$1,782.74	$704.69	$1,409.38	$1,832.19	2.77%
Kaiser CA	574.32	1,148.64	1,493.23	616.14	1,232.28	1,601.96	7.28%
PERS Choice	548.78	1,097.56	1,426.83	559.25	1,118.50	1,454.05	1.91%
PERS Select	479.90	959.80	1,247.74	474.74	949.48	1,234.32	-1.08%
PERSCare	870.76	1,741.52	2,263.98	1,002.53	2,005.06	2,606.58	15.13%
Basic Premium Rates - Out of State							
Kaiser/Out of State	$785.28	$1,570.56	$2,041.73	$816.47	$1,632.94	$2,122.82	3.97%
PERS Choice	636.97	1,273.94	1,656.12	649.16	1,298.32	1,687.82	1.91%
PERSCare	1,010.68	2,021.36	2,627.77	1,163.70	2,327.40	3,025.62	15.14%

Medicare	2011			2012			Percent Change (+/-)
	Single	*2-Party*	*Family*	*Single*	*2-Party*	*Family*	
Medicare Premium Rates - All Regions							
Blue Shield Access+	$337.88	$675.76	$1,013.64	$337.99	$675.98	$1,013.97	0.03%
Blue Shield NetValue	337.88	675.76	1,013.64	337.99	675.98	1,013.97	0.03%
Kaiser CA	282.30	564.60	846.90	277.81	555.62	833.43	-1.59%
Kaiser/Out of State	354.81	709.62	1,064.43	366.87	733.74	1,100.61	3.40%
PERS Choice	375.88	751.76	1,127.64	383.44	766.88	1,150.32	2.01%
PERS Select	375.88	751.76	1,127.64	383.44	766.88	1,150.32	2.01%
PERSCare	433.66	867.32	1,300.98	432.43	864.86	1,297.29	-0.28%

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario I - Knee Replacement	PersCare	PersChoice
In-Network Charges [1]	$71,746	$71,746
Discounted Network Contracted Amount [2]	$22,241	$22,241
Member Coinsurance Percentage	10%	20%
Member Coinsurance Amount	$2,224	$4,448
Calendar Year Deductible *not counted toward out-of-pocket max*	$500	$500
Hospital Admission Deductible *not counted toward out-of-pocket max*	$250	$0
Member Out-of-Pocket with Deductibles [3]	$2,974	$4,948
Out-of-Pocket Maximum	$2,000	$3,000
Member Out-of-Pocket Amount	$2,750	$3,500
Member Out-of-Pocket Difference with PersChoice		$750

1. Based on 2009 average costs for knee replacement at Santa Monica UCLA Hospital as reported by CA OSHPD
2. Anthem network discounts are calculated from Milliman and Robertson 2009 Benchmarking Report for LA metro area.
3. Assumes $0 applied to calendar year deductible date prior to knee replacement.

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario II - Adult Physical/Well Woman, Child, Baby Exam	PersCare	PersChoice
In-Network Charges [1]	$71.55	$71.55
Discounted Network Contracted Amount [2]	$32.53	$32.53
Member Coinsurance Amount	$0	$0
Calendar Year Deductible	$0	$0
Member Out-of-Pocket Amount	$0	$0
Member Out-of-Pocket Difference with PersChoice		**$0.00**

1. Based on Anthem reported average charges for Adult Physical

2. Anthem network discounts are calculated from Milliman and Robertson 2009 Benchmarking Report for LA metro area.

Per healthcare reform (PPACA), there is no copay and deducutibles are waived for eligible preventive care services.

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario III - C-Section Delivery	PersCare	PersChoice
In-Network Charges [1]	$25,746	$25,746
Discounted Network Contracted Amount [2]	$7,981	$7,981
Member Coinsurance Percentage	10%	20%
Member Coinsurance Amount	$798	$1,596
Calendar Year Deductible *not counted toward out-of-pocket max*	$500	$500
Hospital Admission Deductible *not counted toward out-of-pocket max*	$250	$0
Member Out-of-Pocket with Deductibles [3,4]	$1,548	$2,096
Member Out-of-Pocket Difference with PersChoice		$548

1. Based on 2009 average costs for C-Section at Santa Monica UCLA Hospital as reported by CA OSHPD.
2. Anthem network discounts are calculated from Milliman and Robertson 2009 Benchmarking Report for LA metro area.
3. Deductibles do not apply to member out-of-pocket maximums.
4. Assumes $0 applied to calendar year deductible date prior to C-Section.

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario IV - Diagnostic Colonoscopy	PersCare	PersChoice
In-Network Charges [1]	$2,850	$2,850
Discounted Network Contracted Amount [2]	$1,055	$1,055
Member Coinsurance Percentage	10%	20%
Member Coinsurance Amount	$105	$211
Calendar Year Deductible	$500	$500
Member Out-of-Pocket with Deductibles [3]	$605	$711
Member Out-of-Pocket Difference with PersChoice		**$106**

1. Based on 2009 average costs for Colonoscopy as reported by mymedicalcosts.com for the 90405 zip code.
2. Anthem network discounts are calculated from Milliman and Robertson 2009 Benchmarking Report for LA metro area.
3. Assumes $0 applied to calendar year deductible date prior to Colonoscopy

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario V - Emergency Room Visit *No Inpatient Admission*	**PersCare**	**PersChoice**
In-Network Facility Charges [1]	$390	$390
In-Network Physician Charges [1]	$150	$150
Discounted Network Contracted Amount- Facility [2]	$133	$133
Discounted Network Contracted Amount- Physician [2]	$83	$83
Member Coinsurance Percentage	10%	20%
Member Coinsurance Amount - Facility and Phys.	$22	$43
Emergency Room Deductible	$50	$50
Member Out-of-Pocket with Deductibles [3]	$72	$93
Member Out-of-Pocket Difference with PersChoice		**$21**

1. Based on 2009 average costs for Emergency Room Visit as reported by mymedicalcosts.com for the 90405 zip code.
2. Anthem network discounts are calculated from Milliman and Robertson 2009 Benchmarking Report for LA metro area.
3. Assumes $0 applied to calendar year deductible date prior to Emergency Room visit.

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario VI - Urinalysis	PersCare	PersChoice
In-Network Hospital Outpatient Lab Charges [1]	$186	$186
Discounted Network Contracted Amount [2]	$76	$76
Member Conisurance Percentage	10%	20%
Member Coinsurance Amount	$8	$15
Calendar Year Deductible	$500	$500
Member Out-of-Pocket Amount [3]	$76	$76
Member Out-of-Pocket Difference with PersChoice		$0

1. Based on 2009 average costs for Urinalysis as reported by mymedicalcosts.com for the 90405 zip code.
2. Anthem network discounts are calculated from Milliman and Robertson 2009 Benchmarking Report for LA metro area.
3. Member pays full contracted amount because deductible has not been satisfied.
4. Assumes Employee Only HRA District Contribution of $1,000.

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario VII - Ultrasound Fetus	PersCare	PersChoice
In-Network Hospital Outpatient Facility Charges [1]	$510	$510
In-Network Physician Charge [1]	$181	$181
Discounted Network Contracted Facility Amount [2]	$189	$189
Discounted Network ContractedPhysician Amount [2]	$69	$69
Member Conisurance Percentage	10%	20%
Member Coinsurance Amount	$26	$51
Calendar Year Deductible	$500	$500
Member Out-of-Pocket Amount [3]	$257	$257
Member Out-of-Pocket Difference with PersChoice		$0

1. Based on 2009 average costs for Ultrasound Fetus as reported by mymedicalcosts.com for the 90405 zip code.
2. Anthem network discounts are calculated from Milliman and Robertson 2009 Benchmarking Report for LA metro area.
3. Member pays full contracted amount because deductible has not been satisfied.

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario VIII - Durable Medical Equipment	PersCare	PersChoice
Total Annual Durable Medical Equipment Charges *ex. Motorized wheelchairs, oxygen equipment, special beds, prosthetic limbs*	$8,500	$8,500
Durable Medical Equipment Maximum	$0	$6,000
Covered Amount [1]	$8,500	$6,000
Non-Covered Amount [2]	$0	$2,500
Member Coinsurance Amount - In Network	10%	20%
Calendar Year Deductible	$500	$500
Member Out-of-Pocket Amount	$1,350	$4,200
Member Out-of-Pocket Difference with PersChoice		$2,850

1. Examples of DME include motorized wheelchairs, special beds, orthotic braces, oxygen equipment. An individual needing special medical equipment can easily incur more than $6,000 in DME cost in a year.

2. PersCare requires pre-certification for DME that exceeds $1,000, but has no annual dollar limit. The $6,000 annual limit violates consumer protections contained in healthcare reform.

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario IX - Home Healthcare	PersCare	PersChoice
Ex. Home Health Services for an AIDS Patient [1]	$20,000	$20,000
Home Health Maximum [2]	100 Visits	$6,000
Covered Amount	$20,000	$6,000
Non-Covered Amount [2]	$0	$14,000
Member Coinsurance Amount - In Network	10%	20%
Calendar Year Deductible	$500	$500
Anthem Blue Cross Pays After Deductible	$17,500	$4,300
Member Responsibility	$2,500	$15,700
Member Out of Pocket Maximum	$2,000	$3,000
Member Out of Pocket Costs After Deductible and Out of Pocket Max [3]	$2,500	$15,700
Member Out-of-Pocket Difference with PersChoice		$13,200

1. In this example, an individual needs intensive home health services. Home Health services are limited to $6,000 per calendar year on PersChoice. In this example the individual incurred a total of $20,000 in Home Health Services, far exceeding the PersChoice maximum.

2. In the example, the individual exceeds the dollar maximum but not the visit limit. The result is significant out of pocket costs borne by the member. Annual dollar limits on essential health benefits violates consumer protections contained in healthcare reform.

3. The $500 deductible is not counted toward the out of pocket maximum.

Comparison of Member Out-of-Pocket Cost for PersCare and PersChoice

Scenario X - Skilled Nursing Care	PersCare	PersChoice
Ex. Skilled Nursing Care Following a Stroke- In-Network[1] *180 days at $200 per day*		
Total Charges	$36,000	$36,000
Covered Amount - 1st 10 days	$2,000	$2,000
Covered Amount Next 90 Days	$18,000	$18,000
Covered Amount Last 80 Days	$16,000	$0.00
Non-Covered Amount [2]	$0	$16,000
Member Coinsurance Amount - 1st 10 days	10%	20%
Member Coinsurance Amount - Next 90 days	20%	30%
Member Coinsurance Amount Last 80 days	20%	Not covered
Calendar Year Deductible	$500	$500
Member Responsibility	$7,500	$22,300
Member Out of Pocket Maximum [3]	$2,000	$3,000
Member Out-of-Pocket Difference with PersChoice		$17,000

1. In this example, a member has had a stroke and needs six months in a skilled nursing facility. The in-network facility rate is $200

2. Covered skilled nursing facility days are limited to 180 days in PersCare and 100 days in PersChoice.

3. The $500 deductible and non-covered charges are not counted toward the out of pocket maximum.

Mary Mouse Scenario

Date	Billed	not allowed	saving	deductible	copay	amount paid by pers	If I had perschoice		
3/27/2010	234		187.69	0	4.63	41.68	9.26		
3/27/2010	164		57.72	0	10.63	95.65	21.26		
3/27/2010	210		96.76	0	11.32	101.92	22.64		
3/27/2010	374		154.48	0	21.95	197.57	43.9		
8/11/2010	464		193.52	0	0	270.48	0		
7/27/2010	920		563.13	0	35.68	321.19	71.36		
7/27/2010	45	21.33	0	0	9.47	14.2	9.47	out of network	
7/27/2010	18	15.9	0	0	0.84	1.26	0.84	out of network	
9/10/2010	600	0	245.95	0	35.4	318.65	70.8		
9/10/2010	45	45	0	0	0	0	0		
9/10/2010	175.3	0	85.84	0	8.95	80.51	17.9		
9/7/2010	77.45	0	51.54	0	2.59	23.32	5.18		
8/2/2010	76	0	28.5	0	0	47.5	0		
9/7/2010	225	0	86	0	0	139	0		
8/2/2010	90	0	39.81	0	5.02	45.17	10.04		
1/5/2010	1210	0	459.83	0	75.02	675.15	150.04		
4/5/2010	90	13.59	0	0	30.56	45.85	30.56	out of network	
1/5/2010	5029	0	3027	500	150.2	1351.8	300.4		
10/13/2010	120	0	49.59	0	20	50.41	40		
3/27/2010	2549.9	0	1468.9	0	108.1	972.9	216.2		
3/27/2010	226	0	226	0	0	0	0		
3/27/2010	41.5	0	41.5	0	0	0	0		
3/27/2010	572.5	0	572.5	0	0	0	0		
3/27/2010	83.52	0	83.52	0	0	0	0		
3/29/2010	180	38.5	0	0	56.6	84.9	56.6	out of network	
1/5/2010	975	0	89.8	0	88.52	796	177.04		
8/2/2010	425	228.68	0	0	78.53	117.79	78.53	out of network	
		363			754.01		1332.02		
Total paid by me					1117.01		1695.02		
Difference							**578.01**		

ASCIP Delta Dental Enhanced PPO

Health Benefits Program Comparison Prepared for Santa Monica Community College

Effective 1/1/2012

All Eligible Participants	Current Premier Plan			
	In-Network	Out-of-Network	Plan A	
General Benefits				
Calendar Year Deductible	None		None	
Calendar Year Maximum Benefit	$1,500		$1,500	
Diagnostic Care Benefits				
Oral exam, cleaning, x-rays, tissue biopsy exams, fluoride treatment, space maintainers, specialist consultation.	70%-100%		100%	
Basic Benefits				
Oral surgery (extractions), fillings, root canals, periodontic (gum) treatment, tissue removal (biopsy), sealants	70%-100%		100%	
Crowns and Other Cast Restorations				
	70%-100%		100%	
Prosthodontics				
Bridge Bridges (partial and full), dentures	50%		In-network: 70% Out-of-network: 50%	
Dental Accident Benefits				
	100%		100%, $1,000 maximum per calendar year	
Enhancements				
Third Cleaning for Pregnancy	Covered up to plan maximum		Covered up to plan maximum	
Dental Implants	Covered up to plan maximum		Covered up to plan maximum	
Orthodontics				
Standard	Not Covered		Not Covered	
Rates - Tenthly	**Renewal Rates**		**Proposed Rates**	**% Change**
Composite	$120.81		$117.18	-3.0%
Tier Rates:	**Renewal Rates**		**Proposed Rates**	**% Change**
Employee	$79.73		$77.34	-3.0%
Employee + 1	$155.84		$151.17	-3.0%
Employee + 2 or More Dependents	$215.03		$208.58	-3.0%

Covered dental services are paid at various levels depending on the dentist providing services. In-network or PPO dentists have pre-negotiated rates with Delta and therefore the lowest member costs. Out-of-network benefits consist of two levels of reimbursement: Premier and non-contracted. Premier dentists are considered out-of-network, but have agreements with Delta to charge their accepted rate and therefore no balance billing. Dentists that do not have any type of contract signed with Delta will be reimbursed at usual, reasonable and customary rates which may result in balance billing and higher costs to the member. The Delta Dental PPO Plans also include enhancements such as third cleaning for pregnant women and dental implants.

Notes: 3% reduction in rates to move from Premier to Enhanced PPO effective 1/1/2012

ASCIP Delta Dental Enhanced PPO Offering
Information as of 9/8/2011

Dental PPO Coverage Level	***Employees***
Single	393
Two-Party	356
Family	277
TOTAL ENROLLEES:	**1026**

Annual Premium (per enrollee)	$ 1,208.10		
Annual Premium w/Enhanced PPO (per enrollee)	$ 1,171.86		
Annual Cost difference (per enrollee):	***$ 36.24***	>>> Cumulative savings (based on actual enrollment):	**$ 37,185.32**

Benefits to the employee if the District switches to Delta Dental Enhanced PPO.

In-network or PPO dentists have pre-negotiated rates. This lowers member costs and reduces the chances of the member reaching annual benefit maximums as quickly.

Annual benefit maximum is the same as current plan ($1500)

Diagnostic & Basic Care Benefits are covered at 100% right away vs. using the plan annually for three years.
(i.e. oral exam, cleaning, x-rays, tissue biopsy, oral surgery, etc.)

Prosthodontics are covered at a higher level if member visits in-network provider.
(i.e. partial and full bridges, dentures)

Cheaper monthly premium.
This benefits PT classified employees who have to pay a portion toward their benefits/adjunct faculty that purchase coverage.

Frequently Asked Questions

Delta Premier Network
v.
ASCIP Delta Dental Enhanced PPO Plans

Q: What do current Premier plan participants give up by moving to a PPO plan?

A: Nothing! Members will be able to continue seeing any dentist they chose, whether they are on the Premier or PPO networks. Out-of-pocket costs may *decrease* for members whose dentist is on both the networks because the Delta PPO reimbursement rates are slightly lower than the reimbursements under the Premier network. There is still no balance billing under the PPO plan.

Q: What % of dentists are Delta Dentists?

A: In California-91% of all dentists statewide are Delta dentists.

Q: What % of dentists in California are Delta PPO Dentists?

A: Approximately 44% of the more than 10,000 dentists in California are PPO dentists. *Note: All PPO dentists are also Premier dentists.*

Q: What is the difference between the Premier and PPO plans?

A: Dentists who are on both the Premier and PPO networks are reimbursed by Delta at a lower level if the patient being treated is enrolled in a PPO plan. Because there is no balance billing under either plan, the patient's share of cost is also lower under the PPO. The contract the employer selects determines how dentists are reimbursed.

Dentists that do not have any type of contract signed with Delta will be reimbursed at usual, customary and reasonable (UCR) rates. If a non-contracted dentist's fees exceed UCR, the patient may be responsible for the difference between the dentist's fees and UCR., a practice known as balance billing.

Q: Is the network of dentists smaller if we move to the PPO Plan?

A: No, members will have access to Preferred providers in-network, and will also have access to Premier providers out of network. Members will continue to have access to every dentist currently available to them under the Premier plan.

Q: If I go to my Premier dentist and he is not a Preferred Provider, will I pay the same dollar amount for the procedure that I would have paid under the previous plan?

A: Yes. Premier dentists have agreed to pre-determined fees with Delta Dental, and they cannot charge the participant more than the plan's coinsurance amount.

Q: In reference to the above question, would the Premier dentist be considered out-of-network and receive the PPO negotiated fee, and would the participant have to pay the difference?

A: Premier dentists will continue to receive their Premier reimbursement rate, and the participant will only be responsible for their share (coinsurance) of the fees.

Frequently Asked Questions

Delta Premier Network
v.
ASCIP Delta Dental Enhanced PPO Plans

Q: What if I go to a dentist that takes both Premier and PPO?

A: If the member visits a dentist who participates in both the Delta Premier and PPO networks, the provider reimbursement is based on the type of contract the employer group has purchased. PPO contracts would pay based on the lower PPO fees; Premier contracts would pay based on the higher Premier fees.

Q: How Can I find out if the dentist is a Preferred Provider?

A: Members can access our provider directory at www.deltadentalins.com, or they can call 1-800-765-6003.

Q: Does this mean I will be able to use any Delta Dental dentist, and if they happen to be a Preferred provider, then I will be able to receive more before reaching my plan's Annual Maximum?

A: Correct

Q: If I go to a dentist that only takes the Premier plan, how would is that handled?

A: The dentist's payment and the participant's share of cost will be based on the higher Premier fees. The provider will bill Delta directly, Delta will provide the dentist and the member with a notice of payment explaining exactly how much was billed, what the allowed amount is, how much Delta paid and how much is member responsibility.

Q: Is the orthodontia benefit a lifetime benefit or an annual benefit?

A: The orthodontia benefit is a LIFETIME maximum. Once Delta Dental pays the orthodontia benefits on a member's behalf, the orthodontia benefit is exhausted for that member.

DELTA DENTAL

Moving from Delta Dental Premier® to Delta Dental PPO℠

Frequently asked questions

Delta Dental PPO, our preferred provider organization (PPO) plan, provides access to the largest network of its kind nationwide. Delta Dental PPO dentists agree to accept reduced fees for covered procedures when treating PPO patients. This means your out-of-pocket costs are usually lower when you visit a PPO dentist than when you visit a Premier dentist or a non-Delta Dental dentist.

When you move from Delta Dental Premier to the Delta Dental PPO plan, you are gaining some advantages: the flexibility of two networks and more cost savings.

What are the advantages of the Delta Dental PPO plan when compared to Delta Dental Premier?

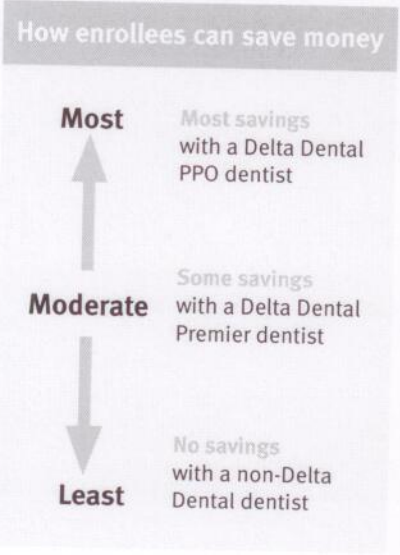
Flexibility. With Delta Dental PPO, you have the flexibility of two networks from which to choose your dentist. This flexibility is important if you need dental care while on a business trip, your children are attending college away from home or your personal dentist isn't a member of the Delta Dental PPO network.

Cost-savings. When you visit a PPO dentist, you'll save as much as 20 to 35 percent on your out-of-pocket costs compared to a non-Delta Dental dentist. These dentists agree to provide treatment to PPO patients at discounted fees determined by Delta Dental, which means your share of the bill (coinsurance and other fees you pay) will likely be lower. Premier dentists also help you save on your out-of-pocket costs, but not as much as you'll save with a PPO dentist.

Will my benefits change?

Moving from a Premier to a PPO plan enhances your benefits. That is because PPO dentists generally charge lower fees and you can save more on out-of-pocket costs. In addition, you'll still have the flexibility to visit any licensed dentist, including the dental specialist of your choice, and to change dentists at any time without notifying Delta Dental.

Can I still visit my Delta Dental Premier dentist?



Yes, you can still visit your Premier dentist, but remember that your savings will likely be more with a PPO dentist. While Premier dentists' contracted fees are often slightly higher than PPO dentists' fees, Premier dentists will not bill you above Delta Dental's approved amount.

We recognize that many people have a long-standing relationship with their dentist and may not want to change dental providers. We invite you to recommend your dentist for inclusion in the Delta Dental PPO network. Please visit the "Find a Dentist" page on our web site and complete the "Recommend Your Dentist" form. We will contact your dentist to provide more details. You can help by telling your dentist how important your PPO benefits are to you and that you would like him or her to consider becoming a Delta Dental PPO dentist.

How do I know if my dentist is a Delta Dental PPO dentist?

We recommend that you verify your current dentist's participation in the Delta Dental PPO network. Simply asking if a dentist "accepts Delta Dental" does not guarantee he or she is a PPO dentist. Make sure you specifically ask if he or she is a contracted Delta Dental PPO dentist. We also recommend that you verify your dentist's participation before each dental appointment. For the most current list of Delta Dental Premier and PPO dentists, visit our web site at www.deltadentalins.com.

Questions about your plan?

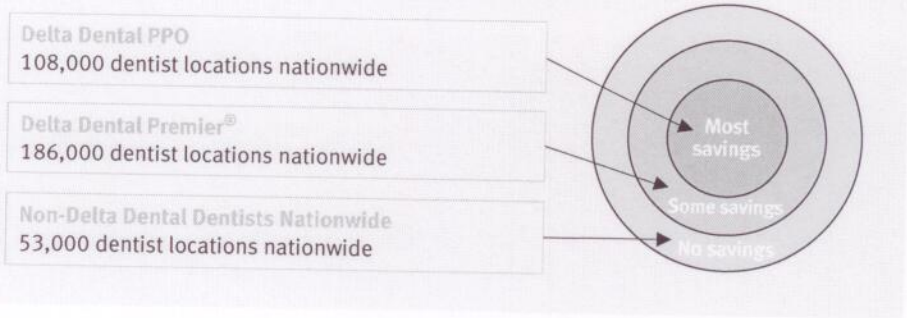
If you have questions, you can check your benefits and eligibility information on our web site or on our interactive voice response telephone line. For more information, you may also contact one of our helpful Customer Service representatives during business hours. You can sign up on our web site for our free dental health e-newsletter, *Dental Wire*, which provides valuable information about dental health topics and how to maximize your benefits.

What is the difference between Delta Dental PPO dentists and Delta Dental Premier dentists?

Approximately three out of four dentists are Delta Dental Premier dentists (186,000 dentist locations). Delta Dental Premier dentists have an agreement with Delta Dental, which means their fees are determined by us, they handle claims paperwork free of charge and they call us directly with any inquiries. Because we pay Delta Dental dentists directly, you do not need to pay the entire bill and wait for reimbursement. Instead, you pay only the patient portion of the bill.

Delta Dental PPO dentists are a select group of Delta Dental Premier dentists who, in addition to offering the advantages mentioned above, have agreed to charge PPO patients lower fees. There are 108,000 dentist locations participating in the Delta Dental PPO network representing 46 percent of all dental offices nationwide.

Delta Dental dentists: network within a network



DELTA DENTAL

Visit Delta Dental's web site at: www.deltadentalins.com

Delta Dental's Mission: To advance dental health and access through exceptional dental benefits service, technology and professional support.

Delta Dental includes these companies in these states:
Delta Dental of California – CA • Delta Dental of Pennsylvania – PA & MD • Delta Dental of West Virginia – WV • Delta Dental of Delaware – DE • Delta Dental of the District of Columbia – DC • Delta Dental of New York – NY • Delta Dental Insurance Company – AL, GA, FL, LA, MT, MS, NV, TX, UT

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DELTA DENTAL®

Advantages of Delta Dental PPO℠ plus Premier

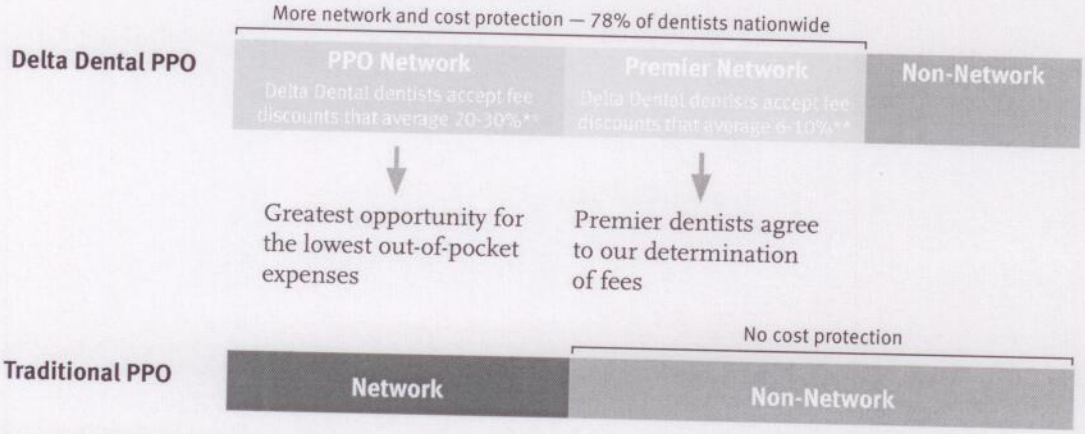
Delta Dental PPO plus Premier* plan design offers the following features:

Access

- Provides access to the largest PPO networks nationwide, including the Premier network with nearly 80 percent of practicing dentists
- Designed to serve local, regional or national employers
- The dentists who participate in our PPO and Premier networks agree to accept our determination of fees as payment in full

Our network design, your quality and cost protection

Beyond the Delta Dental PPO network, enrollees have access to the entire Delta Dental Premier network — the largest network of dentists in the nation. By leveraging our nationwide strength to deliver more cost and quality protection to your company, Delta Dental can offer more cost control mechanisms than traditional PPO plans.



Higher in-network utilization

- Average clients' PPO network utilization is 30 to 40 percent, and an additional 30 to 40 percent for the Delta Dental Premier network.
- Delta Dental's network arrangements greatly reduce out-of-network utilization, outpacing the competition with cost and quality protection for 60 to 80 percent of claims received from in-network dentists.

* Delta Dental Premier® and Delta Dental PPO℠ are underwritten by Delta Dental Insurance Company in AL, DC, FL, GA, LA, MS, MT, NV, TX and UT and by not-for-profit dental service companies in these states: CA – Delta Dental of California, PA, MD – Delta Dental of Pennsylvania, NY – Delta Dental of New York, DE – Delta Dental of Delaware, WV – Delta Dental of West Virginia.

In Texas, Delta Dental offers a Dental Provider Organization (DPO) plan.

** Based on the averages of annual cost containment reports for Delta Dental's book of business.

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Demonstrating how the Delta Dental PPO plus Premier plan design works

The following claim examples demonstrate how lower out-of-pocket patient and plan savings can be achieved with Delta Dental PPO plus Premier plan designs. Compare the patient's share[1] at each network level below:

Claim Example 1: Cleaning

Dentist network status	Delta Dental PPO Network	Delta Dental Premier Network	Non-Network
Dentist bills (submitted charge)	$75.00	$75.00	$75.00
Dentist accepts as payment in full	$45.00	$55.00	No fee agreement with Delta Dental
Plan payment of 100%[2]	$45.00 (PPO provider's allowed fee)	$55.00 (Premier provider's allowed fee)	$60.00[3] (Out of Network Allowance)
Patient's share	**$0.00**	**$0.00**	**$15.00**

Claim Example 2: Crown

Dentist network status	Delta Dental PPO Network	Delta Dental Premier Network	Non-Network
Dentist bills (submitted charge)	$875.00	$875.00	$875.00
Dentist accepts as payment in full	$550.00	$650.00	No fee agreement with Delta Dental
Plan payment of 50%[2]	$275.00 (PPO provider's allowed fee)	$325.00 (Premier provider's allowed fee)	$350.00[3] (Out of Network Allowance)
Patient's share	**$275.00**	**$325.00**	**$525.00**

DELTA DENTAL

To begin the process of selecting a Delta Dental plan, contact your local Account Executive:

www.deltadentalins.com

Delta Dental's Mission: To advance dental health and access through exceptional dental benefits service, technology and professional support.

[1] The patient's share for covered services may include coinsurance, remaining deductible, any amount over the annual maximum, and for a Premier provider, any unpaid difference between the Premier provider's accepted fee and the PPO provider fee.

[2] Hypothetical example for illustrative purposes assumes that the plan's deductible has been previously satisfied, that the annual maximum has not been reached, and that the benefit levels for in- and out-of-network treatment are 100%.

[3] Non-contracted dentists are reimbursed at the lesser of the submitted charge or the fee that satisfies the majority of dentists in the same geographical area with the same training.

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Brief Overview of the Delta Dental Providers