CEBT Summer Meeting

Helen Drexler, Dr. Brad Guyton, Ryan Wallace

July 15, 2024

Today's discussion

- Delta Dental of Colorado Mission
- Oral Health Workforce
- Provider Network Health
- Strategy and Tactics
- CEBT's Claims Cost

Meet the team

Helen Drexler
President & CEO
Delta Dental of Colorado

Dr. Brad Guyton
Chief Dental Officer
Delta Dental of Colorado

Ryan Wallace
Director of Underwriting
Delta Dental of Colorado

Diana Basseyn
Account Specialist
Delta Dental of Colorado

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Delta Dental of Colorado Mission

Presenter: Helen Drexler

Chief Executive Officer

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Our mission is oral health — nationally and in Colorado

- Improve the oral health of the communities we serve.

- Elevate the well-being of all Coloradans by advancing oral health equity.

Health disparities are exacerbated when people do not have access to oral health care.

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Delta Dental Plans Association

Mission: Help improve the overall oral health of the nation by making dental care more available and affordable to the public through the expansion of dental benefit programs.

- Serves more than 85 million Americans — 1.8 million served by Delta Dental of Colorado
- Has 148,599 dental providers in almost 446,193 locations — 3,732 dental providers in 8,185 locations in Colorado
- There are 39 Delta Dental member companies representing 52 operating areas

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Workforce spotlight

Presenter: Helen Drexler

Chief Executive Officer

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Workforce initiative overview

Prior to DDCOF's investment, there were **77 seats** across the state for aspiring dental hygienists. By 2025, our investment will have added **88 seats**.

Goal: To create a more racially and ethnically diverse oral health workforce, resulting in further reduction of access to care barriers and increasing culturally and socially relevant oral healthcare.

Focus Population: Communities of color with the desire to advance their careers in oral health care by pursuing jobs such as dentists, hygienists, and dental assistants.

Projected Outcomes: Increase diversity in the oral health workforce resulting in prosperity for BIPOC oral health professionals and increased access to care for communities of color.

Supporting Data: 92% of dentists in Colorado are white, non-Hispanic; Close to 90% of Colorado hygienist are white non-Hispanic; 40% of dental assistants in Colorado are people of color. Colorado, 2018, American Community Survey.

Provider network health strategy and tactics

We view providers as valued stakeholders and partners

Presenter: Dr. Brad Guyton

Chief Dental Officer

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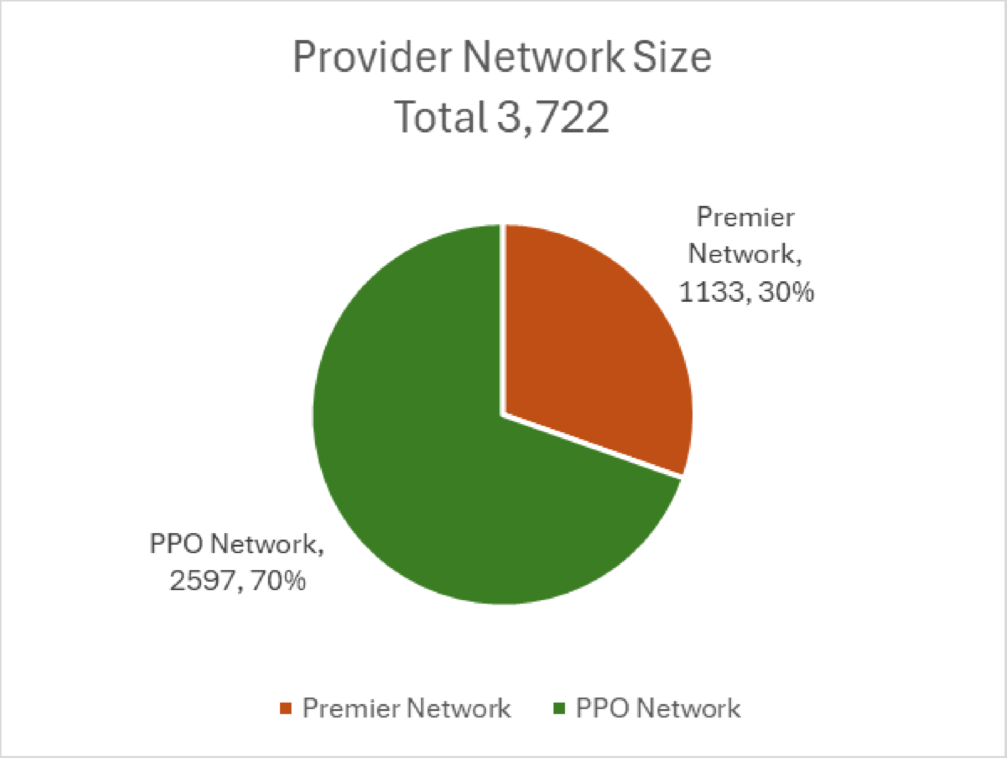
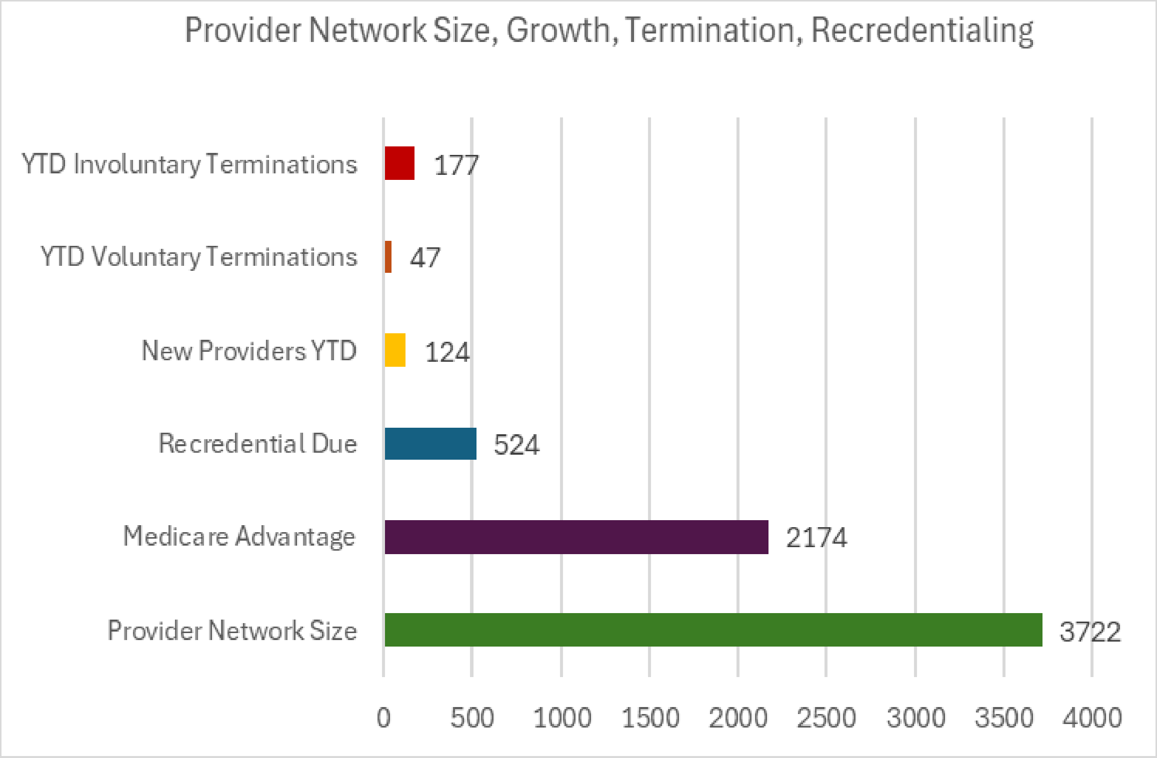
DDCO network health report card



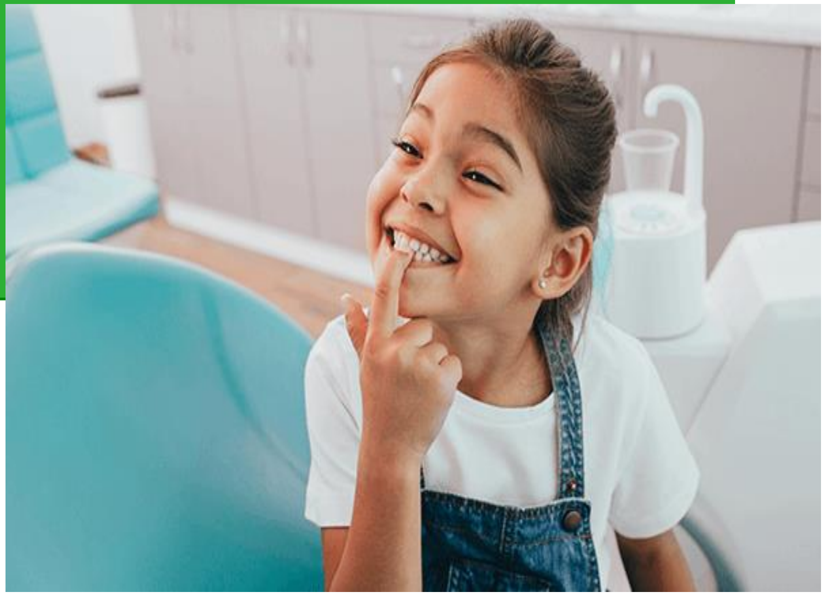


Provider landscape

- Dentists face workforce pressures and inflation
- Dentist’s incomes are flat
- Patients are "catching up”
- Some dentists, especially in rural markets, are busy
- Most patients cannot afford retail dental fees
- We can’t raise fees high enough to retain some dentists
  - It would erode any employer savings
  - Same goes for paying OON DDS at 90+%
- Other carriers are playing leasing and swapping games

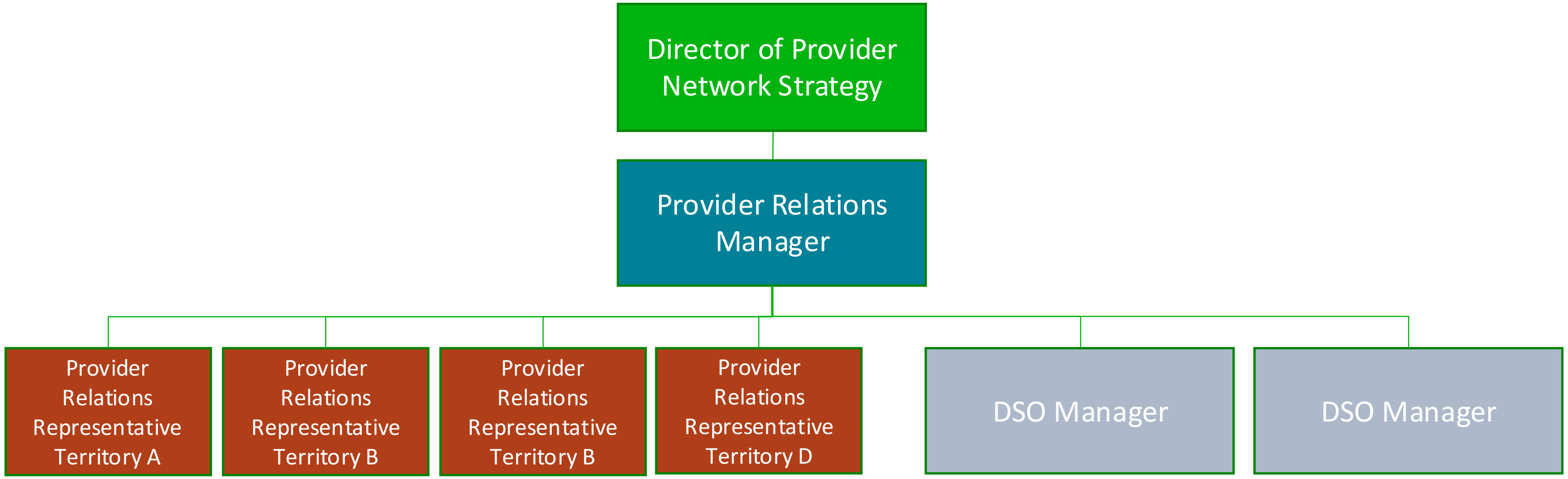
DDCO network strategy

We raised fees in many underserved area offices on July 1, 2024



- We represent more than 50% of commercially insured patients
- We are the steady partner with the best service
- We do not compete with short term lease and swap arrangements
- We are developing a value-based ladder program
- We have feet on the ground

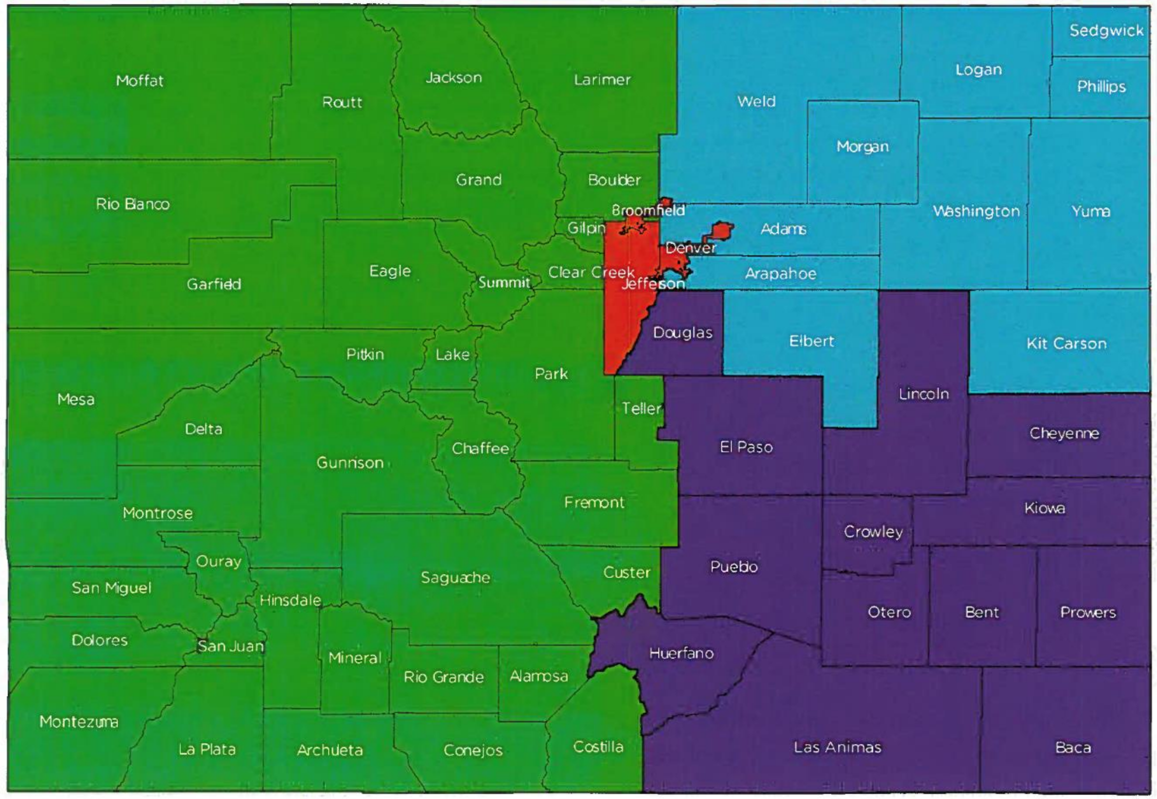
Provider relations structure



- ✓ Administer provider relations (PR) relationship management plan for all providers
- ✓ Design optimal PR service response strategy between PR, customer experience, and claims
- ✓ Identify at-risk providers and develop service plans to minimize terminations
- ✓ Provide industry relevant education, CE, CPR, & other classes
- ✓ Implement/respond to voice of customer/net promoter score trends
- ✓ Promote adoption of technology solutions including self-service and paperless options
- ✓ Support data accuracy (contact lists, NPF submissions, syncs)

- ✓ Grow/retain network (fees, VBC, DSO strategy etc.)
- ✓ Drive recruitment of providers into new products/services (e.g. dental savings plans, telehealth)
- ✓ Recruit providers into the most cost-effective networks
- ✓ Alignment with underwriting & sales & client services to develop network strategy plans
- ✓ Collaboration with claims/clinical to assess utilization trends and network patterns

Provider relations territories



Territory Representatives

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Objective five-year plan

Provider

DDCO is the carrier of choice for providers based on responsiveness, efficiency, and volume of patients we bring to their office at an acceptable fee customers can afford.

KR1: Providers are satisfied with DDCO as the most responsive, transparent and engaged carrier in Colorado.

KR2: Providers view DDCO as the most efficient carrier partner in terms of EFT, on-time payment, administrative expense and customer service.

KR3: DDCO covers the most patients at a fee that is acceptable to both provider and patient.

Key Successes

- ✓ July 1, 2024 fee increase
- ✓ 87% providers very satisfied or somewhat satisfied
- ✓ We measure NPS. Q1 YTD Provider NPS Score 54% increase from 2023
- ✓ Recognition for DSO only account managers/representatives
- ✓ Fully staffed provider relations team

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CEBT’s Claims Cost

Presenter: Ryan Wallace

Director, Underwriting

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Trend components - definitions

- Pure Cost per Service: Impact due to fee increases, fee region changes, network participation and intracategory CDT mix

- Intercategory CDT Mix: Impact due to shifts in utilization between service categories. Negative value implies shift towards cheaper categories

- Total Cost per Service Trend: Cost shift assuming same number of procedures and mix of procedures as prior period. [Pure Cost per Service + Intercategory CDT Mix]

- Utilization Trend: Increase in number of procedures

- PMPM Incurred Trend: Total cost change. [Total Cost per Service Trend + Utilization Trend]

Trend components – CEBT specific

	Current compared to Jan 2022 to May 2022	Current compared to Jan 2023 to May 2023
Pure Cost per Service	4.78%	0.89%
Intercategory CDT Mix	-4.64%	-0.80%
Total Cost per Service Trend	-0.08%	0.08%
Utilization Trend	5.82%	1.93%
PMPM Incurred Trend	5.74%	2.01%

- DDCO current compared to Jan 2023 to Mar 2023 = 2.00%

Takeaways – CEBT specific

- On a PMPM basis, total cost in 2024 is up 2% on 2023, 5.7% on 2022, and 5% on 2021. These percentages are comparing 2024 to prior years. They are not cumulative.

- The main driver of CEBT's trend is utilization per member. Total procedures are up 2% on 2023 and 6.1% on 2022

- Cost per service in 2024 is flat, or lower, compared to prior years. The shift towards Class I helps significantly

- On a procedure count basis, PPO utilization has dropped 2% since 2021 (48% to 46%) at a rate of about 0.5% per year. 2/3 of PPO utilization went to Premier dentists

- Non-Par utilization decreased from 2023 to 2024 (10% to 9%). Approximately $1.6M in Non-Par claim dollars paid in 2023

- Despite DDCO's strategic decision to increase provider fees, our estimated effective discount in 2024 is as strong as it was in 2021 – approximately 31%

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Annualized utilization per 1,000 – CEBT specific

Annualized Utilization per 1000				Relativities	
Category	Jan 2022 to May 2022	Jan 2023 to May 2023	Jan 2024 to May 2024	Current compared to Jan 2022 to May 2022	Current compared to Jan 2023 to May 2023
Diagnostic	1,892	1,972	2,051	108.4%	104.0%
Preventive	1,062	1,105	1,099	103.4%	99.4%
Restorative	366	381	385	105.3%	101.1%
Endodontics	28	25	26	91.0%	103.4%
Periodontics	141	157	159	112.6%	101.4%
Oral Surgery	115	126	121	104.8%	95.4%
Misc	66	71	72	109.3%	100.5%
Restorative (Major)	128	116	120	93.5%	103.0%
Prosthodontics	17	14	14	85.3%	98.7%
Maxillofacial Prosthetics	0	0	0		
Implant Services	26	26	27	103.2%	102.6%
Orthodontics	31	24	23	76.6%	96.5%
Total	3,871	4,019	4,097	105.8%	101.9%
Non-Ortho Total	3,841	3,995	4,073	106.1%	102.0%

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Takeaways continued – CEBT specific

- CEBT's utilization trends largely mirror DDCO's BOB. Class I and Perio Maintenance are up significantly, Basic Restorative is up slightly, Major Restorative is flat/down, and Ortho is down significantly
- X-Rays, Fluorides, and Sealants per exam are up significantly (12% on 2022). Likely indicates providers are needing to find alternative ways to increase office revenue in the absence of insurance fee increases
- Perio Maintenance is up 12% on 2022. Likely due to a mix of worsened oral health post-COVID, missed appointments, and dentists trying to increase revenue as Perio Maintenance pays more than a traditional cleaning
- Increased utilization means providers have fewer openings in their schedule and feel less dependent on insurance member volume. Hence the need for alternative reimbursement models and targeted fee increases

7/1/2024 DDCO provider fee increase

City	Percent Increase
Westcliffe, Colorado	12.3%
Ignacio, Colorado	11.1%
Rifle, Colorado	10.8%
Wray, Colorado	10.7%
Penrose, Colorado	10.5%
Gunnison, Colorado	10.5%
Yuma, Colorado	10.4%
Craig, Colorado	10.3%
Olathe, Colorado	10.2%
Stratton, Colorado	10.2%
Buena Vista, Colorado	10.1%
Burlington, Colorado	10.0%
Granby, Colorado	10.0%
Hotchkiss, Colorado	10.0%
Fort Morgan, Colorado	9.7%
Salida, Colorado	9.6%
Limon, Colorado	9.6%
Kremmling, Colorado	9.5%
Delta, Colorado	9.5%
Akron, Colorado	9.4%
Leadville, Colorado	9.3%

City	Percent Increase
Alamosa, Colorado	9.1%
Brush, Colorado	9.0%
Montrose, Colorado	6.8%
Rocky Ford, Colorado	8.9%
Clifton, Colorado	8.1%
Parachute, Colorado	8.0%
Bayfield, Colorado	7.8%
Durango, Colorado	7.6%
Cortez, Colorado	7.6%
Fruita, Colorado	7.1%
Trinidad, Colorado	7.0%
Ridgway, Colorado	6.9%
Pagosa Springs, Colorado	6.6%
La Junta, Colorado	6.5%
Cañon City, Colorado	6.0%
Sterling, Colorado	5.9%
Manitou Springs, Colorado	5.7%
San Luis, Colorado	5.6%
Springfield, Colorado	5.6%
Meeker, Colorado	5.5%
Pueblo, Colorado	5.1%

City	Percent Increase
Hayden, Colorado	5.4%
Divide, Colorado	5.2%
Fairplay, Colorado	4.8%
Walsh, Colorado	4.7%
Center, Colorado	4.6%
Monte Vista, Colorado	4.5%
La Jara, Colorado	4.3%
Florence, Colorado	4.3%
Norwood, Colorado	4.3%
Lamar, Colorado	4.3%
Flagler, Colorado	4.1%
Paonia, Colorado	3.9%
Idaho Springs, Colorado	3.9%
Georgetown, Colorado	3.8%
Walsenburg, Colorado	3.8%
Palisade, Colorado	3.7%
Dove Creek, Colorado	3.7%
Las Animas, Colorado	3.6%
Haxtun, Colorado	3.4%
Joes, Colorado	3.3%
Cedaredge, Colorado	3.1%
Lake City, Colorado	2.9%
Winter Park, Colorado	1.7%

- Roughly a 4.3% increase for PPO™ providers
- Roughly a 10.2% increase for Premier® providers

Network migration – CEBT specific

Incurred Dollars	Jan 2022 to May 2022	Jan 2023 to May 2023	Jan 2024 to May 2024	Current compared to Jan 2022 to May 2022	Current compared to Jan 2023 to May 2023
PPO	41.1%	40.7%	39.6%	96.3%	97.2%
Premier	46.8%	46.4%	48.3%	103.1%	103.9%
Out of Network	12.0%	12.8%	12.1%	100.8%	94.5%
Procedures	**Jan 2022 to May 2022**	**Jan 2023 to May 2023**	**Jan 2024 to May 2024**	**Current compared to Jan 2022 to May 2022**	**Current compared to Jan 2023 to May 2023**
PPO	47.5%	46.7%	46.2%	97.3%	99.0%
Premier	43.7%	43.3%	44.8%	102.6%	103.6%
Out of Network	8.8%	10.0%	9.0%	101.7%	89.2%
Cost impact to claims	0.31%	0.12%			
Cost per procedure by network	**Jan 2022 to May 2022**	**Jan 2023 to May 2023**	**Jan 2024 to May 2024**	**Current compared to Jan 2022 to May 2022**	**Current compared to Jan 2023 to May 2023**
PPO	$149.18	$155.87	$157.94	105.9%	101.3%
Premier	$193.81	$199.68	$201.51	104.0%	100.9%
Out of Network	$186.33	$190.07	$200.11	107.4%	105.3%
	$171.95	$178.26	$181.25		

2023 Milliman PPO study results

PPO Discount

- Ranked 3rd in Colorado
- Represents the discount off area average charges on procedures from PPO network providers
- Two other major dental carriers with discounts 4.55% deeper than Delta Dental

Effective Discount

- Ranked 1st in Colorado
- Represents the discounts off area average charges on procedures from all dentists
- 2.75% advantage over next best two major dental carriers

Claims by service class – CEBT specific (appendix)

Incurred PMPM	Jan 2022 to May 2022	Jan 2023 to May 2023	Jan 2024 to May 2024	Current compared to Jan 2022 to May 2022	Current compared to Jan 2023 to May 2023
Class I	$12.71	$13.68	$13.97	109.9%	102.1%
Class II	$8.95	$9.60	$9.74	108.9%	101.5%
Class III	$5.05	$4.86	$4.92	97.4%	101.3%
Class IV	$2.09	$1.71	$1.82	87.2%	106.3%
Total	$28.80	$29.85	$30.45	105.7%	102.0%
Utilization per 1000	**Jan 2022 to May 2022**	**Jan 2023 to May 2023**	**Jan 2024 to May 2024**	**Current compared to Jan 2022 to May 2022**	**Current compared to Jan 2023 to May 2023**
Class I	2,954	3,078	3,150	106.6%	102.4%
Class II	716	760	762	106.5%	100.2%
Class III	171	157	161	94.2%	102.6%
Class IV	31	24	23	76.6%	96.5%
Total	3,871	4,019	4,097	105.8%	101.9%
Cost per Service	**Jan 2022 to May 2022**	**Jan 2023 to May 2023**	**Jan 2024 to May 2024**	**Current compared to Jan 2022 to May 2022**	**Current compared to Jan 2023 to May 2023**
Class I	$4.30	$4.45	$4.43	103.1%	99.7%
Class II	$12.50	$12.62	$12.79	102.3%	101.3%
Class III	$29.56	$30.93	$30.54	103.3%	98.8%
Class IV	$68.33	$70.51	$77.71	113.7%	110.2%
Total	$89.27	$89.12	$89.20	99.9%	100.1%

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Questions?