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 PPO\textsuperscript{SM} dentist
- **Premier discount** for using Delta Dental Premier\textsuperscript{®} dentist
- **Fee discount** for using non-participating dentist
Leading the industry

Delta Dental’s PPO\textsuperscript{SM} plan delivers the industry’s best effective discount – averaging 25.3 percent nationally.

Source: Ruark Consulting LLC’s 2016 Dental PPO Network Study
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 (94%)
3. Direct Network Approach
Delivering the best effective discount

1 Large Network Size

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

Source: March 2017 Independent NetMinder Data; based on the Delta Dental Premier® Network
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

Source: Ruark Consulting LLC’s 2016 Dental PPO Network Study
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?