

# San Mateo County SIG Dental Market RFI

Date: March 14, 2024



# DENTAL: RFI RESULTS

# Overview of RFI

## Background

SMCSIG membership has expressed concern regarding the Delta Dental network and access to dental providers.

## Purpose

Keenan has gathered information on different dental carriers networks specific to SMCSIG membership to help provide comparative information for SMCSIG to evaluate and consider while making decisions related to dental coverage.

Provider Network  
Comparison

Coverage of  
Procedures

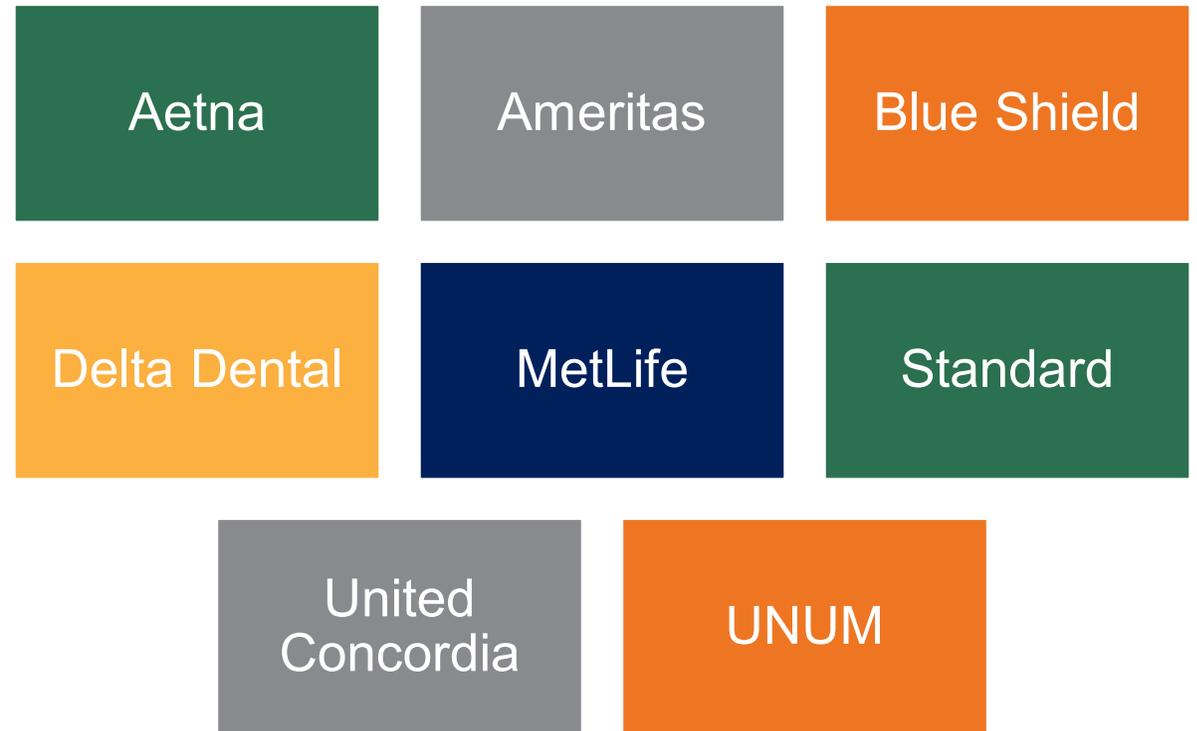
Carrier PPO  
Network Strength

Network Disruption

# RFI Details

Data included experience period from 10/1/2022 – 9/30/2023 and were compared against networks in effect on 1/1/2024:

SMCSIG Data	Amount
Unique Providers	3,832
Procedures	134,697
Submitted Charges	\$24,602,442

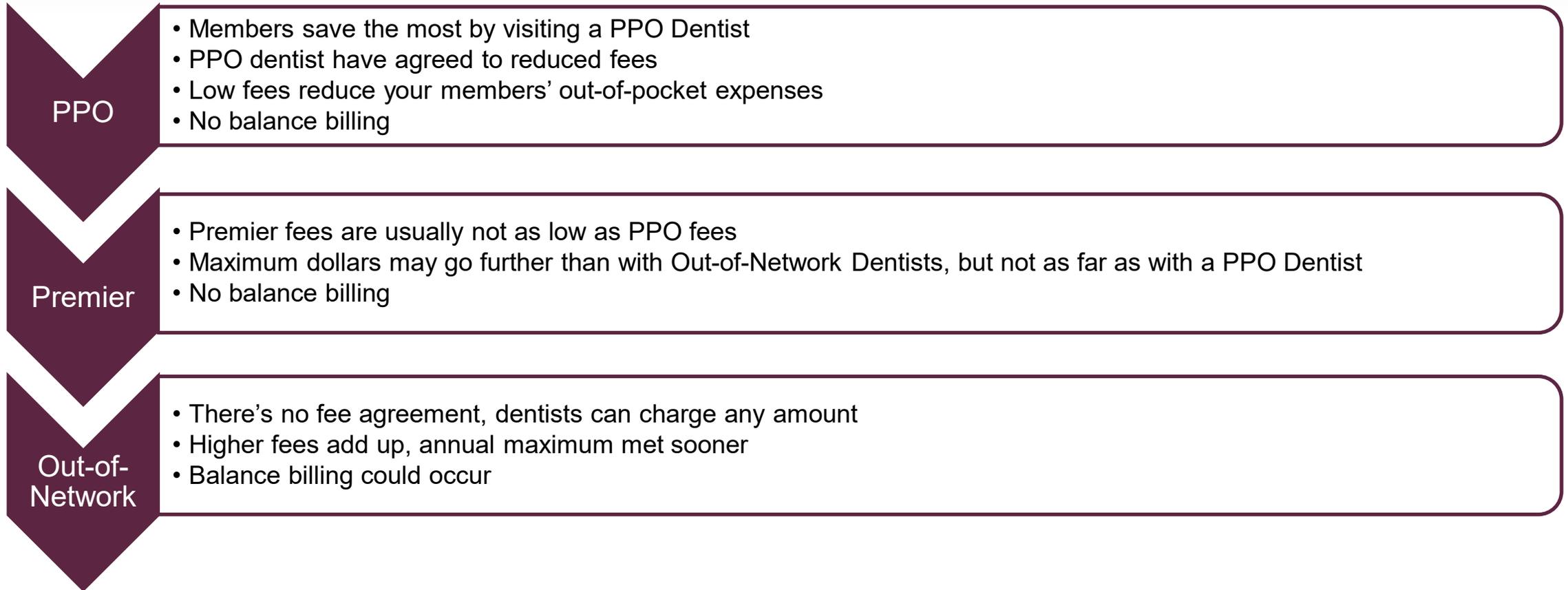


# Provider Network

- SMCSIG Members utilized 3,832 unique providers during the experience period
- Here is a snapshot of each carriers in-network strength for these 3,832 providers:
  1. Delta Dental: 81%
  2. MetLife: 52%
  3. All other carriers: 40-44%

Provider Summary	In-Network		Out of Network	Total	PPO/Premier In-Network
	PPO Network	Premier Network			
Delta Dental	1,843	1,263	726	3,832	3,106
% of Total	48.1%	33.0%	18.9%	100.0%	81.1%
	PPO Network		Out of Network	Total	PPO % In-Network
Aetna	1,536		2,296	3,832	40.1%
Ameritas	1,676		2,156	3,832	43.7%
Blue Shield	1,127		2,705	3,832	29.4%
MetLife	1,995		1,837	3,832	52.1%
Standard	1,661		2,171	3,832	43.3%
United Concordia	1,635		2,197	3,832	42.7%
UNUM	1,536		2,296	3,832	40.1%

# Delta Dental Network Breakdown



# Procedure Mapping

- Total procedures performed for SMCSIG members: 134,697
- Delta Dental Network offers the highest in-network procedure coverage for SMCSIG members, followed by MetLife. Other carriers show comparatively lower in-network procedure coverage rates
- In-Network Procedure Coverage
  1. Delta Dental: 85.1%
  2. MetLife: 48.3%
  3. Other Carriers: 35-39% range

Procedure Summary	In-Network		Out of Network	Total	PPO/Premier In-Network
	PPO Network	Premier Network			
Delta Dental	55,157	59,440	20,100	134,697	114,597
% of Total	40.9%	44.1%	14.9%	100.0%	85.1%
	PPO Network		Out of Network	Total	% In-Network
Aetna	47,202		87,495	134,697	35.0%
Ameritas	51,715		82,982	134,697	38.4%
Blue Shield	48,836		85,861	134,697	36.3%
MetLife	65,058		69,639	134,697	48.3%
Standard	50,111		84,586	134,697	37.2%
United Concordia	49,186		85,511	134,697	36.5%
UNUM	47,202		87,495	134,697	35.0%

# Submitted Charges Comparison

- The submitted charges represent the amount requested by the provider for services rendered
- During the experience period, SMCSIG members had total submitted charges of \$24,602,442
  - PPO: \$10,358,279
  - Premier: \$9,094,682
  - Out of Network: \$5,149,482
- Total submitted charges, considered In-Network:
  - Delta Dental In-Network: 79.1%
  - MetLife In-Network: 45.8%
  - Other Carriers In-Network: 33-35%

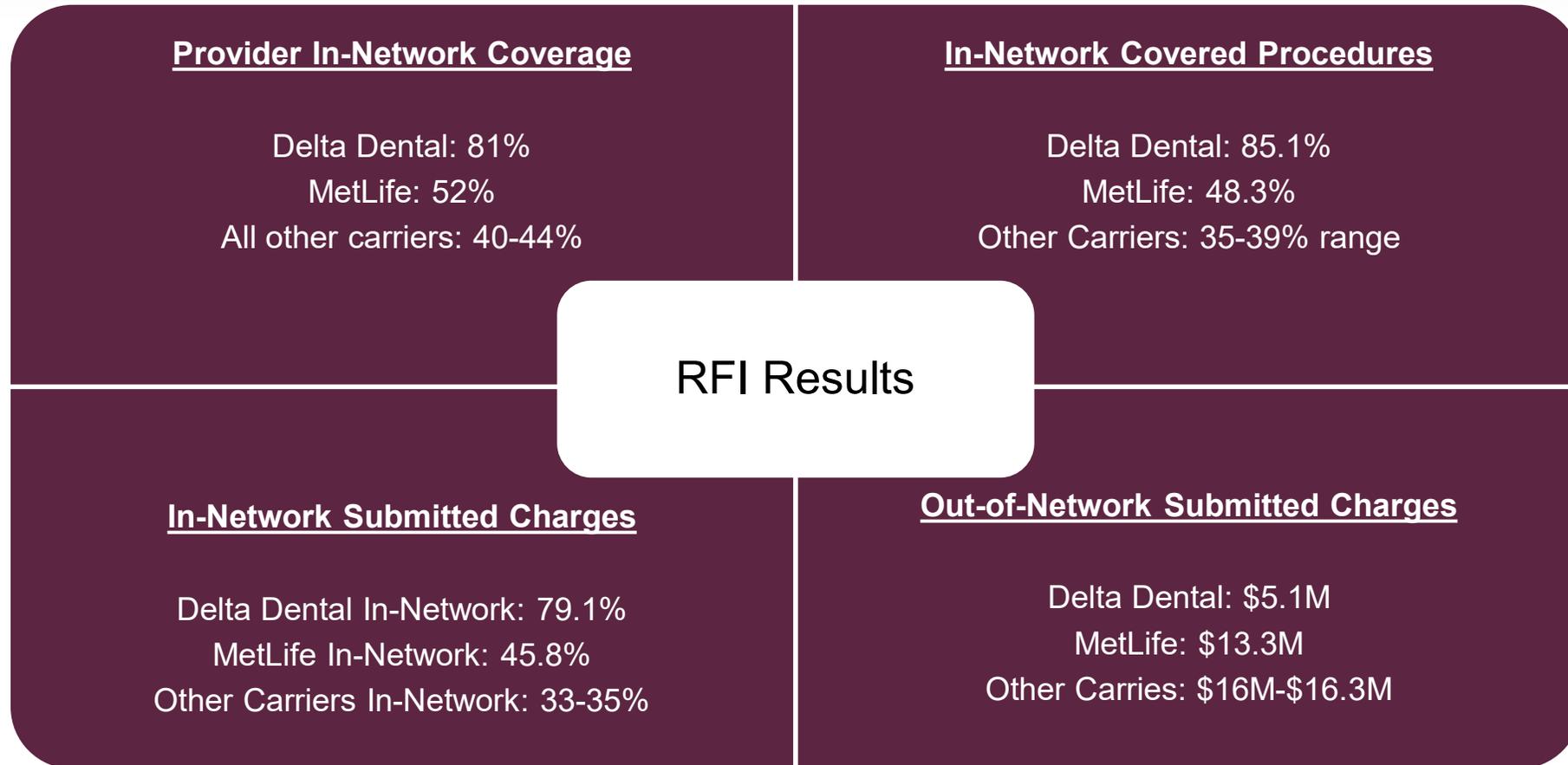
Submitted Charge Summary	In-Network		Out of Network	Total	PPO/Premier In-Network
	PPO Network	Premier Network			
Delta Dental	\$ 10,358,279	\$ 9,094,682	\$ 5,149,482	\$ 24,602,442	\$ 19,452,960
% of Total	42.1%	37.0%	20.9%	100.0%	79.1%
	PPO Network		Out of Network	Total	% In-Network
Aetna	\$ 8,380,243		\$ 16,222,199	\$ 24,602,442	34.1%
Ameritas	\$ 8,531,435		\$ 16,071,007	\$ 24,602,442	34.7%
Blue Shield	\$ 8,282,198		\$ 16,320,244	\$ 24,602,442	33.7%
MetLife	\$ 11,269,021		\$ 13,333,421	\$ 24,602,442	45.8%
Standard	\$ 8,324,173		\$ 16,278,269	\$ 24,602,442	33.8%
United Concordia	\$ 8,383,872		\$ 16,218,570	\$ 24,602,442	34.1%
UNUM	\$ 8,380,243		\$ 16,222,199	\$ 24,602,442	34.1%

# Out of Network

- The Out of Network (OON) analysis focused on the number of providers, procedures and submitted charges for each carrier
- Delta Dental had the fewest OON providers, procedures and charges
- With being a self-funded dental plan, SMCSIG determines the OON reimbursement level (discount) off submitted charges
- Current Delta Dental discount on OON claims is 48.8%
- The higher the discount, the greater the likelihood of balance billing to the member

Out-of Network (OON) Summary	Providers	Procedures	Submitted Charges
Delta Dental	726	20,100	\$ 5,149,482
Aetna	2,296	87,495	\$ 16,222,199
Ameritas	2,156	82,982	\$ 16,071,007
Blue Shield	2,705	85,861	\$ 16,320,244
MetLife	1,837	69,639	\$ 13,333,421
Standard	2,171	84,586	\$ 16,278,269
United Concordia	2,197	85,511	\$ 16,218,570
UNUM	2,296	87,495	\$ 16,222,199

# Dental RFI Summary



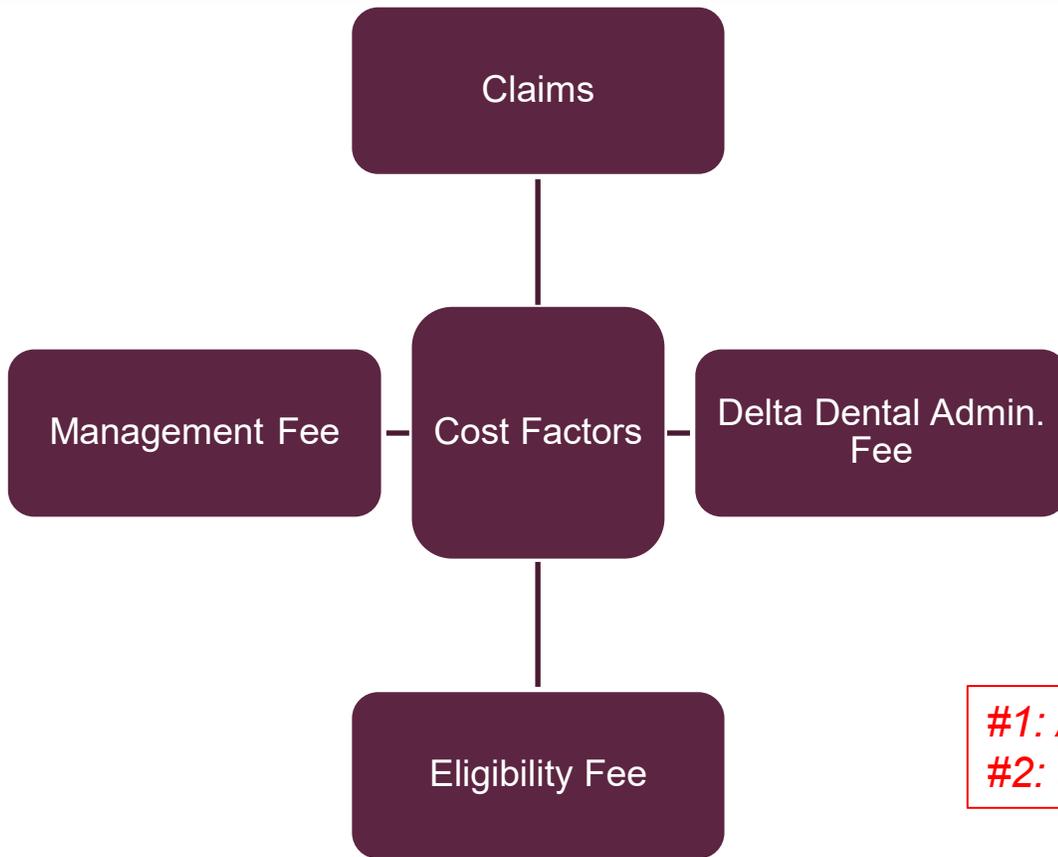
# SMCSIG History 2016-Present

- Performance in the dental coalition has been predictable and stable and has afforded SMCSIG the opportunity to generate reserves based on the historical rate action

## Historical Rate Action

Year	w/ Margin	w/Out Margin	Final Action
2016	0.99%	-1.78%	0%
2017	2.57%	-0.24%	0%
2018	-0.58%	-3.31%	0%
2019	-0.91%	-3.36%	-4%
2020	-0.34%	-3.06%	-3%
2021	1.30%	0.0147	-5%
2022	-12.19%	-14.59%	0%
2023	-0.32%	-3.05%	0%
2024	0.71%	-2.05%	0%

# Dental Coalition Funding Structure



Cost Factor	Amount
Claims	Amount Incurred
Delta Admin. Fee	5.75% of Claims
Eligibility Fee	\$0.39 PMPM
Management Fee	\$0.18 PMPM

*#1: Admin Fee of 5.75% is Lowest Fee available from Delta Dental  
#2: Eligibility Fee of \$0.39 is unique to Dental Coalition and Kcares*

# Purpose of KCARES

Keenan's Coalition Advanced Reporting Eligibility System (KCARES) is available to participating dental and vision coalition districts, to help reduce eligibility management costs through electronic eligibility reporting.

Core KCARES service offerings:

- Electronic reporting of eligibility to carriers
- Client can produce own eligibility lists online
- Carrier Billing Report Summary
- Reporting of Over Age Dependent Children

Program Eligibility Fee: \$0.39 PMPM

# DENTAL: INDEMNITY PLANS

# SMCSIG Dental Indemnity Plan

## PPO Network Advantages vs. Indemnity Plans

There are three advantages to attending PPO providers for members and employers:

1. Cost is reduced based on contracted discount rates
2. PPO providers are contracted to accept the contracted PPO amount.
  - a. Balance billing of the submitted charge balance is not allowed under the PPO contract. Balance billing is a practice where the provider receives the carrier payment and balance bills the member for the difference from the submitted charge.
3. PPO Providers are contracted and may not request for complete or partial funding of the submitted charge in advance of services being rendered.

In an Indemnity plan:

1. There are no contracted rates. Rates are reduced to a percentile of Usual, Customary, and Reasonable (UCR) Charges authorized by SMCSIG and administered by the carrier.
2. Indemnity providers are not-contracted and can:
  - a. Bill the member for the difference between the Submitted Charge and the UCR payment.
  - b. Require prepayment up to 100% prior to providing any services.

# SMCSIG Dental Indemnity Plan

## Indemnity Plan Options and Costs

Keenan has prepared the following two Indemnity options as an illustration of costs for SMCSIG:

- **Option 1** - Every SMCSIG PPO plan comes with an out-of-network (OON) benefit. The OON benefit is an indemnified benefit. SMCSIG could consider increasing the OON reimbursement level to the 80<sup>th</sup>, 90<sup>th</sup>, or 95<sup>th</sup> percentile of UCR, instead of the 51.2% of UCR currently being utilized.

This option gives no consideration to increasing the OON plan benefit design. Increasing OON plan benefits would further increase the rate adjustments.

- **Option 2** – Offer an Indemnity plan (or plans) paying a higher UCR reimbursement level (80<sup>th</sup>, 90<sup>th</sup>, or 95<sup>th</sup> percentile of UCR, instead of the 51.2% of UCR currently being utilized).

This option assumes current in-network benefit levels for the indemnity plans.

# SMCSIG Dental Indemnity Plan

The following chart provides a cost summary for both options:

	Current 51.2%	OON UCR Percentile		
		80th%	90th%	95th%
<b>Option 1</b>				
Claim Cost	\$ 16,399,590	\$ 17,882,109	\$ 18,397,057	\$ 18,654,531
% Rate Adjustment		9.0%	12.2%	13.7%
<b>Option 2</b>	Submitted Charges			
Claim Cost	\$ 24,602,442	\$ 19,681,954	\$ 22,142,198	\$ 23,372,320
% Rate Adjustment		20.0%	35.0%	42.5%

**Option 1** would require rates to be increased 9.0% to 13.7% to accommodate a greater UCR reimbursement level for Out-of-Network claim payment.

**Option 2** would require an increase in rates from 20.0% to 42.5%

**THANK YOU**