

## **DELTA DENTAL OF ARIZONA NETWORK CHANGES – BROKER FAQs**

### **I heard Delta Dental of Arizona is making some changes. What's going on?**

The competitive environment in our industry is increasingly complex and challenging. Companies are under constant pressure to lower their operational costs, including how much money they spend for their employee benefits. As a result, employers are demanding lower costs for all of their benefits, including dental.

In response to market demands, Delta Dental of Arizona is making changes that will increase the size of the PPO network. These changes go into effect July 1 and have the potential to increase the PPO network by 55-65%. This aggressive growth of the PPO network will allow for a greater effective discount and result in significant reductions in most employer group premiums and claims costs. Ultimately, this translates into significant cost savings for employees.

### **I heard Delta Dental is changing its networks. Can you explain this to me?**

Delta Dental of Arizona is updating the way it contracts with participating dentists.

- As of July 1, all contracted dentists will fall into one of two categories: They will be (1) an exclusive/Premier provider and agree not to contract with a non-Delta Dental network or (2) a Premier/PPO provider. These changes pertain only to the way we contract with participating dentists and will increase the number of dentists in the PPO network.
- **Is this change affecting both participating and non-participating dentists?**  
The change affects only participating dentists in the Delta Dental Premier network who contract with other dental networks and who do not contract with the Delta Dental PPO network. This is less than half of the dentists in the Delta Dental network.

### **What is the expected impact to the Delta Dental network?**

This change has the potential to increase the PPO network by at least 55%. Some dentists may choose to leave the network, but the experience of other Delta Dental member companies suggests that there will be minimal attrition.

### **When will you know the extent of the impact on the Delta Dental network?**

We are monitoring network growth of the PPO and attrition and have a plan in place to respond in the unlikely event that there is more than minimal attrition. We will be able to provide more details about how these changes affected the network in mid-to late July.

### **Will these changes help me place more business with Delta Dental of Arizona?**

We certainly hope so! It is clear from our extensive analysis that we needed to address the market pressures for pricing. These changes will allow us to decrease premiums for most risk groups while providing enrollees with better access to coverage and access to more PPO dentists and locations for service through the larger network. Most ASO (self-insured) groups will also benefit from lower claims costs.

### **Is this decision because of health care reform?**

Although health care reform is certainly changing the environment for dental benefits—including intensifying the competitive landscape, adding new restrictions and requirements and shifting much of the focus to a consumer business model—we needed to take these steps even without the added challenge of health care reform.

### **Will groups see savings? How does this affect billing?**

Delta Dental of Arizona will be reducing premiums to reflect the anticipated cost savings from this change.

Most ASO (self-insured) groups will see decreases to claims costs on claims submitted after July 1, and premiums for most risk groups will be adjusted upon renewal.

**Will enrollee benefits change as a result of this change?**

No, this change will not have a direct impact on benefits. Delta Dental of Arizona will continue to offer the same plans and focus on the importance of preventive care.

However, this change will significantly increase the number of PPO dentists in the Delta Dental network as of July 1. If enrollees visit a PPO dentist, they will have lower out-of-pocket costs and therefore will be able to stretch their benefit dollars further.

**Will enrollees have to pay more out-of-pocket fees?**

Although we made increases to select PPO fees, enrollees most likely will not have higher out-of-pocket expenses. If anything, enrollees will have better access to PPO dentists and if they visit a PPO dentist (instead of a Premier or non-participating dentist), they will have lower out-of-pocket costs.

**What, if anything, should enrollees do?**

Prior to scheduling their next dental appointment, enrollees should check with their dental office and see if this change affected their dentist. If it did, they may remain with their current dentist or switch to a different participating dentist. If their dentist is now in the PPO network, the enrollee will be able to stretch their annual plan maximum further. If their dentist is now out-of-network, the enrollee will have higher out-of-pocket costs. For this reason, employers may want to encourage enrollees to visit a participating dentist.

Enrollees can find a new dentist via our online directory at [www.deltadentalaz.com/provider-search](http://www.deltadentalaz.com/provider-search). Our search tool provides dentists' hours, accessibility, distance and complete contact information. Enrollees can also download the Delta Dental mobile app from the Apple App Store or Google Play. The mobile app can be used to find a dentist, verify coverage and claims information, view ID cards and more.

**If an enrollee's dentist leaves the network, what should he/she do?**

We don't believe that many dentists will leave the network. But if that happens, enrollees may remain with their current dentist or switch to a different participating dentist. Keep in mind, however, that visiting an out-of-network dentist will result in higher out-of-pocket costs. For this reason, employers may want to encourage enrollees to visit a participating dentist. Enrollees can find a new dentist via our online directory at [www.deltadentalaz.com/provider-search](http://www.deltadentalaz.com/provider-search). Our search tool provides dentists' hours, accessibility, distance and complete contact information. Enrollees can also use the Delta Dental mobile app to find a dentist, verify coverage and claims information, and view ID cards from their mobile device.

**How will this change affect enrollees outside of Arizona?**

Enrollees outside of Arizona are not affected. This change only affects services performed by a participating dentist in Arizona.

**I heard that Delta Dental of Arizona is forcing its providers to contract solely with Delta Dental and that Delta Dental's actions are illegal and anti-competitive. Is this true?**

Several of our competitors have sent providers information about the network changes Delta Dental is making and their information is incorrect.

To clarify:

- If a dentist is currently contracted with Delta Dental's PPO network, these changes do not affect them.
- No dentist is being forced into a network. Dentists have a choice. If they do not want to join the PPO network, they can apply to participate in the Exclusive Delta Dental Dentist program or terminate their contract with Delta Dental.
- No dentist is being forced to contract exclusively with Delta Dental. In fact, some dentists are not eligible to become exclusive providers, based on location and specialty.

The changes that Delta Dental of Arizona is making are intended to significantly increase the size of our PPO network. This will allow us to offer more competitive premiums for employers and increase access points for patients while affecting the fewest number of participating dentists possible. These changes are good for consumers and for improving oral health in Arizona.



We do not believe that our actions are unlawful or anti-competitive. Because the decision to become an exclusive provider is largely dependent upon the dentist's patient base, we anticipate the number of dentists who choose to apply for the program will be low. In addition, the Exclusive Delta Dentist program has been available since 2006, and there have always been limits on the number of exclusive providers in certain locations and specialties.

**Who should I call if I have questions about the network change?**

You may call your account representative or sales executive with any questions.