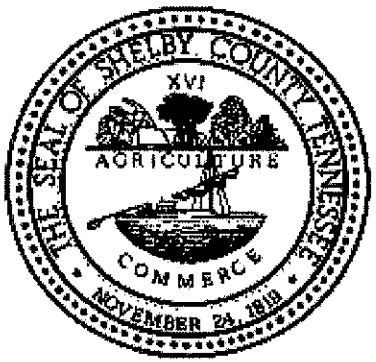


# Shelby County Government

## Voluntary Dental Bid Analysis – UPPC Committee

## August 23, 2010

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3. Plan Designs
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# Introduction

- On behalf of Shelby County Government, The Segal Company solicited proposals for Voluntary Dental coverage for the County's employees, dependents, and retirees.
- Bidders were asked to quote on 3 different plans
  - Fixed Copay (mirrors current provider's Prestige 15 plan)
  - Preventive/Basic Only
  - Full Plan (mirrors current provider's EP510 Plan)
- Proposals were requested for the three year period beginning January 1, 2011.
- Proposals were sent to thirteen vendors. Three vendors met bidding requirements and were qualified to move on to the analysis phase:
  - Assurant
  - CIGNA
  - Delta Dental
    - Delta Dental does not offer a Fixed Copay plan so they only quoted on the Preventive/Basic and the Full Plan.
- Assurant and Delta Dental were asked to provide best and final quotes.

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# Exhibit 1 - Fixed Copayment Plan Rate Comparison Best & Final

| Shelby County Government<br>2010 Voluntary Dental RFP<br>Fixed Copayment Plan Monthly Rate - Best & Final | | | | | | |
|---|---|---|---|---|---|---|
| | Current | | Assurant | | Delta Dental | |
| | Actives | Retirees | Actives | Retirees | Actives | Retirees |
| Employee | $12.58 | $12.58 | $11.20 | $11.20 | Not Quoted | |
| Employee + One | $20.96 | $20.96 | $18.68 | $18.68 | | |
| Family | $31.42 | $31.42 | $28.95 | $28.95 | | |

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# Financials – Fixed Copayment Plan

- Proposed Fixed Copayment Plan mirrors current vendor's Prestige 15 Plan.
- Assurant quoted one set of rates for Actives and Retirees.
- Assurant has guaranteed their rates for 3 years through December 31, 2013.
- Assurant offers select specialty care, either in or out of network, which does not require a 'gate keeper' for specialty care, and family members can elect different providers.
- Assurant is willing to offer the Fixed Copayment Plan as a stand-alone option or packaged with the Basic/Preventive and Full Plans.
- Delta Dental of Tennessee does not offer a Fixed Copay product and did not provide a quote for this option.

# Exhibit 2 - Preventive/Basic Only Plan Rate Comparison Best & Final

| Shelby County Government<br>2010 Voluntary Dental RFP<br>Preventive/Basic Only Plan Rates - Best & Final | | | | | | |
|---|---|---|---|---|---|---|
| | Current | | Assurant | | Delta Dental | |
| | Actives | Retirees | Actives | Retirees | Actives | Retirees |
| Employee | Plan Not Currently Offered | | $15.00 | $15.45 | $17.43 | $17.43 |
| Employee + One | | | $31.00 | $31.93 | $32.54 | $32.54 |
| Family | | | $59.00 | $60.77 | $64.38 | $64.38 |

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# Financials – Preventive/Basic Only Plan

- Assurant and Delta Dental have both guaranteed their rates for 3 years through December 31, 2013.
- Assurant has no minimum participation requirement for this plan, and there is no rate impact to add a 12 month waiting period clause.
- Delta Dental required a minimum of 1,000 employees or 35% of eligible employees enrolled (this is in combination with the Full Plan).
- Rates for both Assurant and Delta Dental are based on the assumption they would underwrite both the Preventive/Basic and the Full Plan.
- Delta Dental is willing to offer its Preventive/Basic Only plan on a stand-alone basis at the following rates with a minimum billing of 500 employees.
  - Single - $17.78
  - Employee + One - $33.19
  - Family - $65.67

# Exhibit 3 - Full Plan Rate Comparison – Best & Final

| Shelby County Government<br>2010 Voluntary Dental RFP<br>Full Plan Rates - Best & Final | | | | | | |
|---|---|---|---|---|---|---|
| | Current | | Assurant | | Delta Dental | |
| | Actives | Retirees | Actives | Retirees | Actives | Retirees |
| Employee | $35.50 | $35.50 | $33.48 | $34.48 | $36.04 | $36.04 |
| Employee + One | $71.52 | $71.52 | $67.44 | $69.46 | $67.43 | $67.43 |
| Family | $102.22 | $102.22 | $96.40 | $99.29 | $114.95 | $114.95 |

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# Financials – Full Plan

- Both bidders Full Plan mirror current vendor's EP510 Plan.
- Assurant and Delta Dental have both guaranteed their rates for 3 years through December 31, 2013.
- Assurant has no minimum participation requirement for this plan.
- Assurant Full Plan rates if there is a 12 month waiting period on Major Services for Active/Retiree:
  - Single - $32.81/$33.79
  - Employee + One - $66.09/$68.07
  - Family - $94.47/$97.30
- Delta Dental requires a 1,000 life minimum or 35% of eligible employees enrolled (this is in combination with the Preventive/Basic Plan).
- Delta Dental Full Plan rates if there is a 12 month waiting period on Major Services:
  - Single - $34.32
  - Employee + One - $64.21
  - Family - $109.48

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# Proposed Plan Design – Preventive/Basic Plan

| | Services Covered | In-Network | Out-of-Network |
|---|---|---|---|
| Annual Deductible | | $50/$150 | |
| Type I - Diagnostic & Preventive | Exams, cleanings and x-rays | 100% | 100% |
| Type II - Basic Restorative | Fillings, periodontia, endodontia and oral surgery | 80% | 50% |
| Type III - Restorative | Crowns, bridges and dentures | Not covered | Not covered |
| Type IV - Orthodontia | | Not covered | Not covered |
| Annual Deductible (Family) | | | |
| Calendar Year Maximum | | $1,000 | $1,000 |

# Proposed Plan Designs for Full Plan Comparison to Current EP510 Plan

| | Services Covered | In-Network | Out-of-Network |
|---|---|---|---|
| Annual Deductible* | | $50/$150 | |
| Type I - Diagnostic & Preventive | Exams, cleanings and x-rays | 100% | 100% |
| Type II - Basic Restorative | Crowns, Fillings, periodontia, endontia and oral surgery | 80% | 80% |
| Type III - Major Restorative | Bridges and dentures | 50% | 50% |
| Type IV - Orthodontia | | 50% | 50% |
| Annual Deductible (Family) | | | |
| Calendar Year Maximum | | $1,500 | $1,500 |
| Lifetime Maximum - Orthodontia | | $1,500 | $1,500 |

*Waived for Type 1 services

# Plan Design – Full Plan

- All plans matched the current provider's plan design with the following exceptions:
  - Current provider has a $150 annual deductible (family) for Orthodontia. Both Assurant and Delta Dental have a $0 annual deductible (family) for Orthodontia.
  - Both Assurant and Delta Dental have minimum participation requirements for Orthodontia
    - Assurant's requirement is 10 insured employees with covered dependent children.
    - Delta Dental's requirement is a minimum of 25 employees must enroll, or a minimum of 10 must enroll if the group has prior orthodontic coverage.
- Assurant uses the 90th percentile of the UCR for out-of-network reimbursement.
- Delta Dental uses the 80th percentile of Maximum Plan Allowance (MPA) for out-of network reimbursement.

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# Exhibit 4: Geo Access - Fixed Copay Plan

| Shelby County Government<br>2010 Voluntary Dental RFP<br>Dentist Access - Fixed Copay Plan | | | |
|---|---|---|---|
| | Access Standard | Assurant | Delta Dental |
| General Dentists | (2 providers within 5 miles) | 90.0% | Not Quoted |
| Specialists | (2 providers within 5 miles) | 73.1% | Not Quoted |

**Notes:**

**- Delta Dental does not offer a Fixed Copayment Plan**

# Exhibit 5: Disruption Analysis-Fixed Copayment Plan

| Shelby County Government<br>2010 Voluntary Dental RFP<br>Disruption Analysis - Fixed Copayment Plan | | | |
|---|---|---|---|
| | Current Vendor | Assurant | Delta Dental |
| Number of In Network Providers | 37 | 14 | Not Quoted |
| % of Total Providers In Network | 100.0% | 37.8% | Not Quoted |

**Notes:**

**-This table shows the number of providers participating in the current network who have also contracted with the potential new carriers.**

**- Delta Dental does not offer a Fixed Copayment Plan**

**- Provider listing contained only In Network Providers**

**- A provider is counted as out of network if the vendor did not indicate that the provider was listed as out of network or if the plan was not listed as "Fixed Copayment Plan".**

# Exhibit 6: Dentist Access- Full Plans

| Shelby County Government<br>2010 Voluntary Dental RFP<br>Dentist Access - Full Plans | | | |
|---|---|---|---|
| | Access Standard | Assurant | Delta Dental |
| General Dentists | (2 providers within 5 miles) | 88.6% | 93.2% |
| Specialists | (2 providers within 5 miles) | 67.3% | 69.7% |

# Exhibit 7- Disruption Analysis –Full Plans

| Shelby County Government<br>2010 Voluntary Dental RFP<br>Disruption Analysis - Full Plans | | | | |
|---|---|---|---|---|
| | Current | Assurant | Delta Dental Premier Network | Delta Dental PPO Network |
| Number of In Network Providers | 439 | 161 | 383 | 231 |
| % of In Network Providers | 100.0% | 36.7% | 87.2% | 52.6% |

**Notes:**

- **Duplicates have been removed from provider listing.**
- **A provider is counted as out of network if plan is listed as out of network or if plan is not equal to the Full Plans**
- **Delta Dental did not indicate which plan(s) the provider participated in. They only indicated whether the provider was in or out of network**
- **Provider listing sent to vendors contained only in network providers of current vendor**

# Next Steps

- Award contract
- Begin Implementation