

Quality health plans & benefits
Healthier living
Financial well-being
Intelligent solutions



Trustees of UFCW

Dental Utilization Review
August 14, 2014



Aetna Dental® at a Glance



Networks and Discounts

- 14.1 million dental members
- Expansive networks in all 50 states, Puerto Rico, Virgin Islands, and Mexico
- More than 221,500 PPO dental practice locations and over 83,000 DMO dental practice locations
- National average discount is 35%
- Getting the “right” dentists in our networks, the ones your members are using



Solutions for your Dental Needs

- Aetna Dental/Medical IntegrationSM (DMI) program with enhanced benefits and educational outreach for members with at-risk medical conditions
- A full portfolio of innovative products, including DMO and PPO
- Value-Added Discounts
- Quality customer service and distinguished quality management programs



Technology

- iTriage
- Aetna Navigator® – member secure site
- Estimate the Cost of Care
- DocFind® – online provider directory
- Simple Steps To Better Dental Health®



Customer Service

- 135 consecutive months of meeting service objectives!
- Strategically located Dental Service Centers
- Focus on quality, customer service, and performance management
- Proven “One and Done” programs
- Aetna Voice Advantage® – phone service available 24x7

The Dental Marketplace

Plan Sponsors:

- Continue to manage tight budgets
- Labor faces challenges such as member contributions, voluntary benefits and exchanges
- Introducing more DMO plans along with consideration around active PPO and MAX plans.
- Continue to value Aetna's automated DMI program and continued movement toward incentives focused on preventive dental services and total health.
- Inquiring about coverage for Implants, Adult Orthodontics and increasing CY maximums.

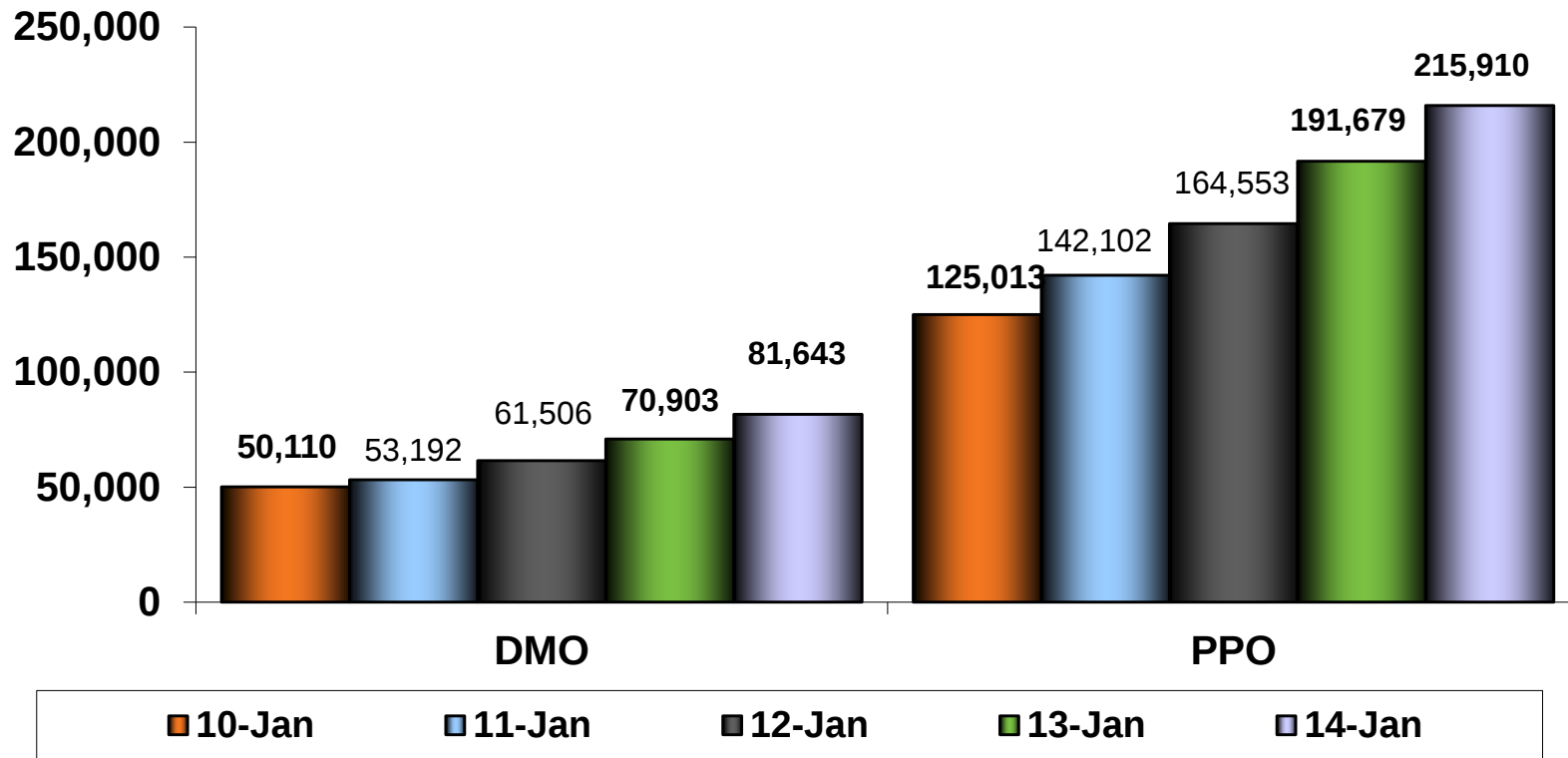
Members:

- Dental benefits remain very important to members.
- Generally speaking, in 2013 utilization patterns were to put off basic and major services while utilizing more preventive care and orthodontics. This pattern changed in the 2nd quarter where we saw expenses and utilization go up -but then slowed for basic and major services through the 3rd and 4th quarters.
- Utilization of on-line tools increasing

Industry view:

- The dentist population continues to age and hygienists are in high demand
- Material costs for routine dental products are increasing
- Electronic claim submission from providers increasing.
- General Dentists are doing more services in their offices, less referrals.
- As dentists experience higher operating costs practice models are shifting to group practices

National Network Growth



- Planned Network Growth in Florida and across the U.S. will bring the DPO network to 245,000 by year end

Dental Utilization - Key Statistics

Claims Incurred May 1, 2013 through April 30, 2014 with 2-month lag

Demographics Summary	Customer Prior	Customer Current	% Change from Prior	Aetna BOB Dental ¹
Average Number of Employees	1,112	1,064	-4.3%	N/A
Average Number of Members	1,716	1,642	-4.3%	N/A
Ratio of Members to Employees	1.5	1.5	-0.1%	2.2
Percent Male Members	46.8%	47.3%	0.5%	50.0%
Percent Female Members	53.2%	52.7%	-0.5%	50.0%
Average Age of Membership	39.4	40.8	3.6%	35.6

Key Statistics

Total Dental Paid Amount	\$355,686	\$326,495	-8.2%	N/A
Dental Paid Amount per Employee	\$319.98	\$306.78	-4.1%	\$513.51
Dental Paid Amount per Member	\$207.27	\$198.88	-4.0%	\$332.89
Preventive Paid Amount Per Member	\$87.72	\$86.64	-1.2%	\$136.39
Preventive Number of Services/1,000 Members	1,943	1,897	-2.4%	2,814
Basic Paid Amount Per Member	\$80.96	\$75.63	-6.6%	\$110.02
Basic Number of Services/1,000 Members	735	660	-10.3%	1,027
Major Paid Amount Per Member	\$33.07	\$32.01	-3.2%	\$75.77
Major Number of Services/1,000 Members	108	102	-6.1%	243
Orthodontic Paid Amount Per Member	\$5.52	\$4.60	-16.6%	\$10.54
Orthodontic Number of Services/1,000 Members	60	36	-40.1%	85
Network Discount Savings	\$110,125	\$119,525	8.5%	N/A
% of Dental Paid Amount In Network	45.8%	51.5%	5.7%	47.9%
Reasonable & Customary Savings	\$9,492	\$7,140	-24.8%	N/A

Dental Utilization – Savings & Payment Distribution

Claims Incurred May 1, 2013 through April 30, 2014 with 2-month lag

Savings and Benefit Payment Distribution

	<u>Total Group</u>		<u>In Network</u>		<u>Out of Network</u>	
	<u>Dollars</u>	<u>% of Cost</u>	<u>Dollars</u>	<u>% of Cost</u>	<u>Dollars</u>	<u>% of Cost</u>
<u>TOTAL COSTS</u>	<u>\$632,770</u>		<u>\$390,219</u>		<u>\$242,551</u>	
PAID BENEFITS	\$326,495		\$168,071		\$158,424	
TOTAL PLAN ADMIN SAVINGS	\$306,275	48.4%	\$222,148	56.9%	\$84,127	34.7%
<u>DISTRIBUTION OF TOTAL SAVINGS</u>						
Provider Network Savings ("Discounts")	\$119,525	18.9%	\$119,525	30.6%	\$0	0.0%
Claim Administration Savings*	\$83,311	13.2%	\$46,645	12.0%	\$36,666	15.1%
	\$7,464	1.2%	\$4,661	1.2%	\$2,803	1.2%
Benefit Plan Savings	\$1,875	0.3%	\$1,583	0.4%	\$292	0.1%
Deductible	\$17,263	2.7%	\$10,260	2.6%	\$7,003	2.9%
Coinsurance/Copay	\$7,707	1.2%	\$1,141	0.3%	\$6,566	2.7%
Plan Maximum	\$23,886	3.8%	\$21,368	5.5%	\$2,518	1.0%
	\$6,784	1.1%	\$1,705	0.4%	\$5,079	2.1%
	\$0	0.0%	\$0	0.0%	\$0	0.0%
By Benefit Category -	\$8,049	1.3%	\$0	0.0%	\$8,049	3.3%
Preventive	\$10,283	1.6%	\$5,927	1.5%	\$4,356	1.8%
Basic						
Major	\$103,439	16.3%	\$55,978	14.3%	\$47,461	19.6%
Orthodontic	\$20,521	3.2%	\$11,775	3.0%	\$8,746	3.6%
Other	\$77,448	12.2%	\$43,620	11.2%	\$33,828	13.9%
TOTAL	\$5,470	0.9%	\$583	0.1%	\$4,888	2.0%

* Claims Admin Savings examples include: Alternate benefits, COB, Duplicate Bills, Eligibility Denials, Frequency Limitations, Non-covered services, Non-medically necessary, Reasonable & Customary, etc.

Dental Premium and Administrative Fees

Dental PPO Plans	Prior Period 1/1/13-12/31/13	Current Period 1/1/14-12/31/14	Renewal Period 1/1/15-12/31/15
Administrative Service Fees as Billed			
Dental (PSPM)	\$4.03	\$4.15	\$3.85
Administrative Service Fees as Total Contract Period Dollars			
Monthly Dental Fee Spend	\$4,320	\$4,449	\$4,172
Annual Dental Fee Spend	\$51,842	\$53,385	\$49,526

** All figures above assume 1,072 enrolled union members*

Dental DMO Plan	Subscribers	Current Rates Effective 1/1/13	Indicated Increase	Renewal Rates Effective 1/1/14
Single Subscriber	0	\$ 27.69	3.0%	\$ 28.52
Subscriber + Spouse	0	\$ 55.40	3.0%	\$ 57.06
Subscriber +Child(ren)	0	\$ 61.02	3.0%	\$ 62.85
Subscriber + Family	0	\$ 88.60	3.0%	\$ 91.26
Monthly Premium	0	\$ -		\$ 0
Annual Premium		\$ -		\$ 0

We thank you for your continued partnership

On behalf of the Aetna Labor team, we look forward to working with you on behalf of your members

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