



DELTA DENTAL OF NEBRASKA

# BROKER UPDATE

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## AS THE INDUSTRY CHANGES, WE'RE POSITIONED TO SERVE THE MARKET AND HELP YOU SUCCEED

With the Supreme Court upholding the Patient Protection and Affordable Care Act (PPACA) as constitutional, health care reform is set to move forward – including the individual mandate and public and private exchanges in the dental benefits market.

Obviously, the implications are just as big for Delta Dental of Nebraska as they are for you, your group clients, their employees and all consumers throughout the state who rely on dental insurance to help pay for their oral health care.

Our role is to anticipate the needs of a changing market that's increasingly focused on the consumer as a primary decision-maker when it comes to their health benefits. As you know, this is a much different approach than serving the traditional employer group market. We're hard at work to make sure we're prepared:

- The individual market is growing and represents a real opportunity. We're looking at designing and tailoring products so individuals and families have a range of options beyond group-based plans.
- Part of our commitment includes providing enhanced access for underserved populations throughout the state, including people from rural communities and even consumers leaving traditional group plans because they're changing jobs or retiring. Our network, easily the largest in the state, plays a key role in serving these populations. We'll continue to expand our network to serve more Nebraskans than any other carrier.

- In terms of providing improved access for all Nebraskans, we play a unique role as the leading dental benefits provider in the state. Our philanthropic programs and initiatives support our mission of expanded access to dental care throughout Nebraska. A recent example is the \$20,000 contribution we made to this year's annual Mission of Mercy event held in July.

Traditionally, you've known us for our consistency, our network and our strong products for small, medium and large businesses. Serving the employer group market in Nebraska will always remain our primary focus. But as health care reform provisions are implemented, we'll be prepared to work with you if your business model shifts.

Thank you for being a valued partner!



*Barbara Jensen – District Manager  
Delta Dental of Nebraska*

# THE VALUE OF VOLUNTARY DENTAL

Voluntary benefits have received a lot of press recently as groups look for ways to cut costs while continuing to provide employees with access to valuable plans and coverages.

Sponsoring a dental plan that's funded entirely by employees who choose to participate can be a smart, flexible solution – especially when cost is the driving factor for whether a group purchases (or renews) a dental plan. But did you know many groups are still unaware they can sponsor a dental plan without a cost to the employer?

According to a recent survey, fewer than half of the companies responding in the study realized that it does not need to directly cost the employer to make voluntary benefits available.

## **It doesn't have to cost the group a penny**

As you know, when a company sponsors a voluntary dental plan, employees have the freedom to decide for themselves whether they want to participate. While the participating employees are responsible for paying the premium, they benefit from group rates, the simplicity of automatic payroll deduction and the tax advantage that comes from pre-tax premium contributions to a section 125 plan.

The group also benefits when employees participate because it reduces its employer FICA contributions.

## **Delta Dental of Nebraska voluntary plans**

We specially designed our popular Delta Dental PPO<sup>SM</sup> Plus Premier plan (Dental Flex program) and our Discover indemnity program as options to meet the unique needs of voluntary groups.

- In these plans, we don't set a minimum participation percentage requirement; only five employees are required to enroll.
- Because affordable premiums are critical to the success of any plan offered on a voluntary basis, with our Dental Flex program, we keep premiums low by using our strong networks, a choice between a calendar year deductible and a lifetime deductible, and through the use of waiting periods (which we waive for employer groups that have at least 12 consecutive months of comparable basic and major group coverage).

## **Control costs through a fully insured "basic" plan**

Sponsoring a plan that's funded through employee contributions is just one approach to controlling costs.

Plan designs and options – including the use of networks and annual maximums, deductibles and waiting periods – have a big impact on plan cost. Some groups even evaluate their covered services, opting for a simpler benefit plan that provides coverage only for preventive care and basic services.

Our Delta Dental Premier<sup>®</sup> program provides a "basic" option for groups that want a fully insured plan at our most affordable rates. The plan covers preventive services and also provides benefits for common basic services such as fillings, sealants, extractions, periodontal care and basic endodontic care.

# EXCELLENT SERVICE YEAR AFTER YEAR



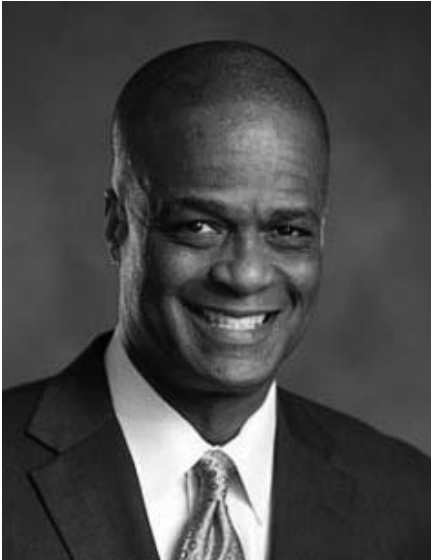
Great service is an expectation of all clients, large and small. When you work with Delta Dental of Nebraska, you know you're working with a carrier that consistently goes above and beyond in serving its groups and members.

Delta Dental of Nebraska's 100-percent focus on dental benefits ensures your clients' dental plans are never an afterthought.

Here's a recap of our service results for the past 3 years:

	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Percent of claims paid in 10 business days</b>	<b>99.48%</b>	<b>99.64%</b>	<b>99.54%</b>
<b>Average claim paid</b>	<b>1.32 days</b>	<b>1.30 days</b>	<b>1.31 days</b>
<b>Claim processing accuracy</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Claim payment financial accuracy</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Questions or issues resolved during first call</b>	<b>97.25%</b>	<b>97.20%</b>	<b>97.19%</b>
<b>Average phone response time</b>	<b>15 seconds</b>	<b>14 seconds</b>	<b>6 seconds</b>

# LEADERSHIP INSIGHTS: AN INTERVIEW WITH RODNEY YOUNG, CHIEF EXECUTIVE OFFICER AND PRESIDENT



At the start of the year, the board of directors appointed Rodney Young Chief Executive Officer and President (effective Jan. 1, 2012). Young knows the company and

industry well, serving on the board of directors since 1998.

He's a 25-year veteran of the medical services field, most recently serving as Chief Executive Officer of Angeion Corporation, a medical device and supplies company. He has also served as Chair, Chief Executive Officer and President of LecTec, a medical device and pharmaceutical company, and as Vice President at Chicago-based health care company Baxter International.

In addition to his work on the board, he also serves as a director for Allina Health System and continues to serve on Angeion's board of directors. He was the recipient of the National Association of Corporate Directors (NACD) and Twin Cities Magazine 2010 Outstanding Directors Award for his board service to Possis Medical. Young's cumulative experience on boards includes roles as director of four publicly

held corporations and two nonprofit organizations, with revenues ranging from \$30 million to \$3.5 billion.

The following interview provides Young's thoughts and insights about the company's strategy and the vital role brokers and consultants play in this strategy.

1. You've had a unique vantage point of the organization's business strategy as a director on the board for 14 years. Where has the company executed particularly well during that timeframe? Where can improvements be made?

During my time on the board, I have been particularly impressed with the company's execution of its business growth strategy to retain its customer base while growing both small and large group business, especially in a highly competitive environment.

Our near-term goals are to continue to execute on the existing growth strategies, as well as to explore other avenues for growth, such as new products or potential new markets.

2. Delta Dental of Nebraska has established strong relationships with major companies headquartered in the state. What has allowed the organization to achieve that success?

The company's success with large employer clients is a direct result of some of the core

principles established by my predecessor that will continue under my leadership. We will continue to provide exceptional customer care, deliver the highest quality products, ensure the best and most accessible provider network and build deeper relationships with our broker and consulting partners since they are key to our success.

3. Recognizing you've only been in your new role as Chief Executive Officer and President for two quarters, how are you positioning the organization to respond to broad challenges and opportunities in the marketplace – including health care reform and a recovering economy?

As far as positioning the company for the future, my very first initiative was to ensure we retained our most talented professionals. The next initiative was to add other highly talented professionals to join our team. We feel these two initial steps allow us to seek and take advantage of new opportunities, as well as position us to respond to potential challenges. In addition, we will go through a strategic planning process in the fall to ensure we consider opportunities for the future.

We continue to evaluate and refine our current strategy, paying particularly close attention to health care reform while monitoring the recovering economy. With health care reform, we are staying current both at the state and national level. In particular, we are paying attention to the discussion regarding the “Exchanges” and the correlations between medical and dental insurance.

4. How do brokers and consultants fit into your strategic vision for growing the business?

As I mentioned above, our strategy is to continue to grow. Our broker and consulting partners will be *critical* to this strategy, as they have been over the past several years. In fact, the dynamics of health care reform and a recovering economy will make the role of the broker and consultant even more important as we collectively navigate this changing environment.

As a person with a background leading sales, marketing and distribution/broker channel management, I look forward to working with our broker and consulting partners to tackle the future.

*“The dynamics of health care reform and a recovering economy will make the role of the broker and consultant even more important as we collectively navigate this changing environment.”*

*Rodney Young,  
Chief Executive Officer and President*

# NEWS IN BRIEF

## **Hearing discount program available to members at no cost**

Earlier this year you received a packet of information about our partnership with HearPO – an Amplifon company, the world’s largest distributor of hearing aids. Together, we’re proud to offer all Delta Dental of Nebraska members located anywhere across the country, and even their extended family members, a hearing discount program at no cost. Check out the HearPO Web site for more details:

[www.hearpo.com/deltadentalne](http://www.hearpo.com/deltadentalne).

## **Delta Dental contributes to annual Mission of Mercy event**

Delta Dental of Nebraska donated \$20,000 to this year’s annual Mission of Mercy event. Nebraska’s Mission of Mercy has been bringing quality dental care to people who need it for more than 10 years. This year’s Mission of Mercy event was in Alliance on July 13 and 14. During this two-day event, dental services were provided on a first-come, first-served basis by volunteer dental professionals (dentists, hygienists and dental assistants) and other non-dental volunteers.



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[www.deltadentalne.org](http://www.deltadentalne.org)

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