

DELTA DENTAL OF NEBRASKA **EMPLOYER
UPDATE**



INSIDE

Measuring Network Value

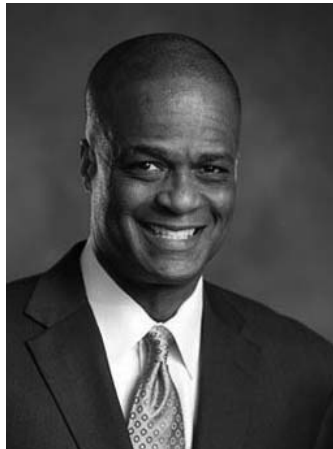
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LEADERSHIP INSIGHTS: AN INTERVIEW WITH RODNEY YOUNG, CHIEF EXECUTIVE OFFICER AND PRESIDENT



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

and industry well, serving on the Delta Dental of Minnesota 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, President and Chief Executive Officer 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.

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

During my time on the Delta Dental of Minnesota 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 and ensure the best and most accessible provider network.

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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.

Note: Delta Dental of Minnesota is the benefits administrator for Delta Dental of Nebraska's dental benefit plans.

MISSION OF MERCY

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.

“Supporting this mission is important to us, because we see the significant work being done by Nebraska's Mission of Mercy,” said Barb Jensen, District Manager, Delta Dental of Nebraska. “It's important to take care of Nebraska residents who may not otherwise be able to receive dental care.”

MEASURING NETWORK VALUE

It's a given – dental network size and discounts matter. But there's another measurement that is equally important – network utilization, which is the number of members actually using the network to take advantage of the discounts.

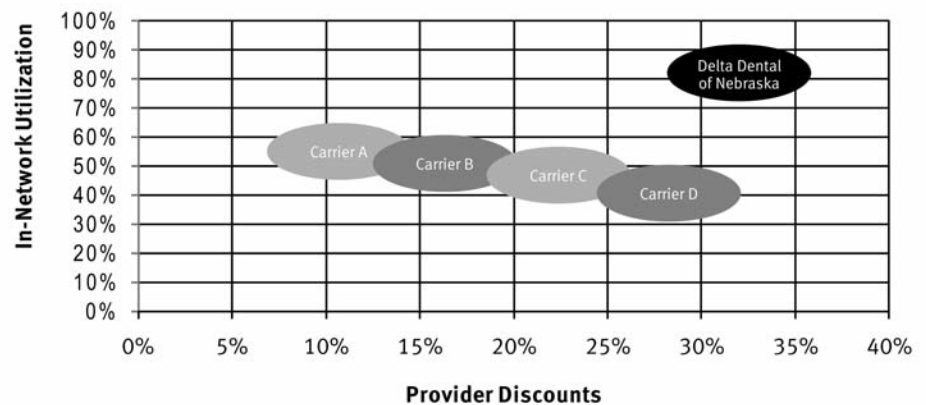
Combining in-network utilization with maximum provider discounts allows groups to better assess the real value of the network.

So how does Delta Dental of Nebraska rate when it comes to overall value provided by our networks? Extremely well.

Most of our groups have network utilization in the 80 to 95 percent range, with many at almost 100%. Our network value comes from size (Delta Dental Premier® is easily the largest network in the state and the nation), impressive in-network utilization, competitive discounts and the geographic reach of our networks throughout the state.

Encourage your employees to use network dentists. This will ensure they get the most from their dental benefits. To find network dentists, go to www.deltadentalne.org. Click on “Dentist Search” on the left side of our home page.

Network Value = In-Network Utilization x Provider Discounts



The information in this chart is for illustrative purposes only. Actual utilization and discounts will vary from group to group.

Why see a network dentist:

- Seeing a network dentist can save members money. Dentists in our network have agreed to accept pre-negotiated fees, so members' out-of-pocket expenses may be less.
- Dentists who do not participate in our networks may balance bill, which means they can bill members for the difference between their actual charge and what the plan allows.
- Network dentists file the claim for members. With a non-network dentist, the member may have to file the claim.

Dentists are critical to good oral health:

Through our Delta Dental Premier® network, our members have access to the largest network of dentists.

Delta Dental Premier® network features:

- More than 142,000 dentists nationwide
- More than 840 dentists in Nebraska; that's 85% of all licensed and practicing dentists.

Delta Dental PPOSM – for even deeper discounts – features:

- More than 83,900 dentists nationwide
- More than 440 dentists in Nebraska

NEWS BRIEFS

Oral Health Information At Your Fingertips

Share the latest information on oral health with your employees. The site www.thesmilefilesne.org is updated monthly and features:

- Articles on oral health
- A dental risk assessment quiz
- Smile Squad™, an interactive tool for kids
- And, much more

Hearing Discount Program For Our Members – At No Cost

Delta Dental of Nebraska joined forces with HearPO – an Amplifon company, the world’s largest distributor of hearing aids – to offer all Delta Dental of Nebraska members and their extended family a hearing discount program at no administrative or premium cost to groups or members.

Members can receive:

- 40% discount on hearing diagnostic testing
- Lowest price on 1,000+ models of digital hearing aids
- Three-year warranty on most hearing aids

For specifics, visit www.hearpo.com/deltadentalne.

We’ve Moved

Delta Dental of Nebraska has a new corporate address – same building, just a different suite number.

Delta Dental of Nebraska
Atrium Executive Square
11235 Davenport Street
Suite 113
Omaha, NE 68154

This change in address will not affect the administration of your business. The PO boxes currently used remain in effect.

As always, should you have any questions, feel free to call us:

Barb Jensen, District Manager	402-397-4920
Tammee Burns, Account Services Manager	402-397-5268
Sally Gutowski, Office Administrator	402-397-6416



Statistics of Mission of Mercy events in Nebraska:

- 2012 Alliance: 725 patients received \$425,000 in free dental care
- 2011 Grand Island: 1,378 patients received \$617,317 in free dental care
- 2010 No Nebraska Mission of Mercy, due to National Special Olympics held in Nebraska.
- 2009 Omaha: 1,427 patients received \$608,621 in free dental care
- 2008 Mitchell: 1,065 patients received \$571,515 in free dental care
- 2007 Norfolk: 1,393 patients received \$506,778 in free dental care
- 2006 Grand Island: 1,788 patients received \$638,853 in free dental care
- 2005 North Platte: 903 patients received \$356,750 care in free dental care

PHILANTHROPIC UPDATES

Kidz Explore

Delta Dental of Nebraska took part in this year’s Kidz Explore at the Mid-America Center. This was the 20th year that Kidz Explore took place, offering fun and learning for the whole family during a two-day event. Delta Dental sponsored the Omaha District Dental Society Booth at the event, and the Delta Dental Tooth Fairy was in attendance.

14th Annual Valmont/United Way Golf Outing

On June 23, Delta Dental of Nebraska was a sponsor of the 14th Annual Valmont/United Way golf outing at The Pines Country Club in Valley. This golf outing benefits the Fremont and Omaha United Way agencies. The event itself has raised approximately \$176,000 over the past 14 years due to the support and generosity of the organizations and businesses that provide products and services to Valmont Industries.

Ninth Annual Dr. Ben Kutler Golf Classic

On June 27, the Ninth Annual Dr. Ben Kutler Golf Classic was held at Quarry Oaks Golf Club in Ashland. This golf outing is co-sponsored by Creighton University and the Epsilon Chapter of Omicron Kappa Upsilon, a national dental honor society. Delta Dental of Nebraska was also a sponsor of the golf outing. The funds from this golf classic have a significant impact on the oral health of those in need. More than \$18,000 was raised at this event, which is used to fund the Creighton Dental School dental clinic. This clinic serves Omaha area residents who do not have other dental resources and payment for treatment is based on the patient’s ability to pay.

SERVICE YOU CAN COUNT ON

You and your employees look to Delta Dental to answer questions and process claims in a timely accurate manner. And, we work hard to deliver. We are proud to share our performance statistics as of June 30, 2012.

Percent of claims processed in 10 business days	99.81%
Average number of days for claims turnaround	1.18
Claim processing accuracy of audited claims	99.9%
Claim payment financial accuracy of audited claims	99.9%
Average phone response time (members)	15 seconds
Percent of questions/issues resolved during the first call	97.04%

EmployerUpdate is published for our group clients. Article ideas and questions from readers are welcome.
Publisher: Delta Dental of Nebraska. **Email questions or comments to:** editor@deltadentalne.org.

Ask About Our Product Options

Interested in what plans and options Delta Dental of Nebraska offers?

- For groups 2 – 199, contact Delta Dental Connect at 1-866-280-8367, ddconnect@deltadentalne.org or Tammee Burns at 1-402-397-4878 or 1-800-736-0710, ext. 10, tburns@deltadentalne.org.
- For groups of 199+, contact Barb Jensen at 1-402-397-4878 or 1-800-736-0710, ext. 11, bjensen@deltadentalne.org.

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www.deltadentalne.org

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