City of Los Angeles
2018 Annual Dental Review
September 5, 2019
2018 Summary of Activities

Key Activities
- Healthy Teeth, Healthy Body Webinar
- Preventive Care Seminars
- Open Enrollment Seminars
- Onsite Dentist at Wellness Festival
- Enhanced Website

Dental Utilization
- Increased PPO utilization contributed to lower plan costs in 2018
- Shift from high risk to low risk enrollees
- Decrease in cleaning utilization for employees & members
- Increased website utilization

Future Activities
- Exploring digital promotional campaigns
- Enhancing benefits to include coverage for posterior composite fillings
- Continued support of City’s wellness initiatives
Enrollment Snapshot

### Primary Enrollees

- **PPO Plan**
  - 2017: 16,787
  - 2018: 17,057
  - Change: +1.6%
- **Preventive Plan**
  - 2017: 545
  - 2018: 556
  - Change: +2.0%
- **DHMO Plan**
  - 2017: 8,209
  - 2018: 8,513
  - Change: +3.7%

### Average Contract Size % Change

- **PPO**
  - 2017: 2.257
  - 2018: 2.218
  - Change: -1.7%
- **Preventive**
  - 2017: 1.374
  - 2018: 1.356
  - Change: -1.3%
- **DHMO**
  - 2017: 2.072
  - 2018: 2.025
  - Change: -2.3%

### Average Member Age

- **PPO**
  - Primary EE: 48.8
  - Spouse/DP: 15.0
  - Child: 13.6
- **Preventive**
  - Primary EE: 47.0
  - Spouse/DP: 13.6
  - Child: 13.6
- **DHMO**
  - Primary EE: 43.5
  - Spouse/DP: 14.0
  - Child: 14.0
- **Benchmark**
  - Primary EE: 46.6
  - Spouse/DP: 12.5
  - Child: 12.5

### Notes

*Average Contract Size – Ratio of total covered Members divided total covered Employees

** Benchmark data throughout this presentation is Delta Dental’s overall Book of Business, except where otherwise noted.
PPO Financials & Savings

**2.0% decrease in total claim costs, 3.5% decrease on a PEPM basis**

- Decrease in contract size
- Steady growth in PPO Utilization
- Increase in network savings

**Network Utilization**

- **2016**: PPO 64.4%, Premier 30.2%, Non-contracted 5.4%
- **2017**: PPO 65.2%, Premier 29.6%, Non-contracted 5.2%
- **2018**: PPO 65.9%, Premier 28.6%, Non-contracted 5.5%

**Network Savings**

- **2016**: PPO 34.2%, Premier 14.7%, Net effective discount 5.4%
- **2017**: PPO 35.3%, Premier 16.7%, Net effective discount 6.7%
- **2018**: PPO 36.1%, Premier 16.3%, Net effective discount 6.8%

**Network Claims**

- **2015**: $79.64
- **2016**: $75.77
- **2017**: $80.37
- **2018**: $77.53

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PPO Dentist: In-network provider who agrees to lowest discounted fees and contractual guidelines
Premier Dentist: Providers in Delta Dental’s secondary network that have agreed to discounted fees and contractual guidelines
Non-contracted Dentist: Out-of-network provider that has not agreed to discount fees
High Risk members are trending to Low Risk over the last 3 years.

- Any enrollee that has been in the plan more than a calendar year, visited the dentist in that time and not presented with any oral risk factors and/or received a caries risk assessment code of D0601, low risk.

- Any enrollee that has:
  - Had any periodontal visits or root canals in the last 3 years
  - Received 3 or more restorations in the last 3 years, 2 or more restorations in the last 2 years, or one or more restorations in the last year
  - Received caries risk assessment of medium or high from their dentist.

- Any enrollee that has been enrolled for more than a calendar year without any visits to the dentist in the most recent calendar year.

- Any enrollee that has been enrolled for less than one calendar year, that does not meet high risk criteria.
Wellness Objectives
PPO and Preventive Plans

**Goals:**
- Increase # of employees receiving preventive care
- Increase the # of employees visiting dentists

**Results:**
- Minimal changes in employee utilization
  - 0.2% decrease in # of exams
  - 1.0% decrease in # of cleaning
  - 0.4% increase in # of employees not visiting a dentist

<table>
<thead>
<tr>
<th>Period</th>
<th>Avg. # EE’s</th>
<th>No Visits</th>
<th>Exams</th>
<th>Cleaning</th>
</tr>
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<tbody>
<tr>
<td>2017</td>
<td>17,332</td>
<td>5,989</td>
<td>11,253</td>
<td>10,641</td>
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<tr>
<td></td>
<td></td>
<td>34.6%</td>
<td>64.9%</td>
<td>61.4%</td>
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<tr>
<td>2018</td>
<td>17,613</td>
<td>6,172</td>
<td>11,397</td>
<td>10,637</td>
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<tr>
<td></td>
<td></td>
<td>35.0%</td>
<td>64.7%</td>
<td>60.4%</td>
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</table>
Wellness Objectives
PPO and Preventive Plans

Members Eligible for 12+ months

<table>
<thead>
<tr>
<th>Period</th>
<th>Members</th>
<th>No Visits</th>
<th>Exams</th>
<th>Cleaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>38,363</td>
<td>8,802</td>
<td>23,347</td>
<td>22,691</td>
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<tr>
<td></td>
<td></td>
<td>22.9%</td>
<td>60.9%</td>
<td>61.0%</td>
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<tr>
<td>2018</td>
<td>38,085</td>
<td>8,828</td>
<td>23,304</td>
<td>22,446</td>
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<tr>
<td></td>
<td></td>
<td>23.2%</td>
<td>61.2%</td>
<td>60.7%</td>
</tr>
</tbody>
</table>

DELTA DENTAL BENCHMARK*
• No Visits – 21.4%
• Exams – 62.4%
• Cleaning – 64.5%

OBSERVATIONS:
❖ Continued promotion of the City’s wellness objectives should contribute to closing utilization gaps between the City and Delta Dental’s benchmarks

OPPORTUNITIES TO IMPROVE UTILIZATION:
❖ Target new hires and non-users
❖ Digital campaigns
❖ Explore partnering opportunities with Limeade
❖ Continued participation in City’s wellness program

*Delta Dental’s benchmark data is based on member’s who have been eligible for at least 12 months
Closing care gaps (i.e., increased utilization of preventive services) could mitigate the financial impact associated with major services.
Utilization by Category

2018 Distribution by # of Procedures

DHMO

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2018</th>
<th>Benchmark</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diagnostic &amp; Preventive</td>
<td>69.2%</td>
<td>71.4%</td>
<td>70.2%</td>
<td>↑</td>
</tr>
<tr>
<td>Basic</td>
<td>26.9%</td>
<td>24.8%</td>
<td>24.9%</td>
<td>↓</td>
</tr>
<tr>
<td>Major</td>
<td>3.9%</td>
<td>3.8%</td>
<td>5.0%</td>
<td></td>
</tr>
</tbody>
</table>

Member utilization trends compare favorably with Delta Dental’s DCUSA Book of Business benchmarks.
Website Utilization

- 24.8% of active enrollees have an online account
- 2.8% increase from 2017 in online accounts
- 4% increase in member log-ins
- 15.2% increase in cost estimator tool

2018 WEB HITS

- Explore Cost
- ID Card
- Benefits
- Claims
- Documents

2018 COST ESTIMATOR

- Crown, 97
- Filling, 100
- Implant, 84
- Deep Cleaning, 78
- Braces - Adult, 49
- Braces - Adolescent, 43
- Root Canal, 77
- Wisdom teeth removal, 63
- Tooth Removal, 59
- Bridge, 27
- Checkup - Dentures, 29
- Checkup - Child, 17
- Gum Surgery, 26
Thank you for being a valued customer and partner!