STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: October 21, 2021

To: Group Insurance Board

From: Tom Rasmussen, Life Insurance and Dental Plans Manager
Office of Strategic Health Policy

Subject: Delta Dental Uniform Dental Benefit Audit Results

This memo is for informational purposes only. No Board action is required.

Background

The Department of Employee Trust Funds (ETF) retained Claim Technologies Incorporated (CTI) to conduct a comprehensive, biennial audit of the administration of the Uniform Dental Benefit (UBD) Program administered by Delta Dental of Wisconsin (Delta) for the period beginning January 1, 2019 through December 31, 2020.

CTI conducted the audit according to the accepted standards and procedures for claim audits in the health insurance industry. They based the audit findings on the data and information provided by ETF and Delta. CTI planned and performed the audit based on the scope of work agreed upon by ETF and CTI. Although CTI identified a small number of claim issues, explained later in this memo, no systematic issues with Delta's administration of the UDB was noted. CTI considers this to be a favorable audit.

Uniform Dental Background

On January 1, 2016, the Uniform Dental Benefit Program began for members who were enrolled in the State Group Health Insurance Program (GHIP). A member must have medical coverage under GHIP to have the UDB. Members are automatically enrolled in the UDB and must opt out of the program to not have coverage. ETF gathers information of all active employees who have enrolled in the GHIP and not opted out of the UDB from payroll centers and securely sends that information to Delta Dental. Delta Dental then sends a welcome letter and a UDB membership card to each member and their dependents.

If a member has individual coverage for their health insurance, then they have individual coverage for the UDB. If a member has family coverage under the employee's state health insurance plan, the family has UDB coverage.

Table 1 shows a summary of the UDB Plan since its inception in 2016.

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy Electronically Signed 11/04/2021

Eileen K Mallow

Board	Mtg Date	Item #
GIB	11.17.21	10B

Table 1- UDB Highlight Summary 2016 – May 2021

Year	2021*	2020	2019	2018	2017	2016
Primary Subscribers	94,818	94,309	92,535	91,390	92,643	92,908
Total Membership	210,508	204,381	200,994	199,191	203,249	203,469
Member Utilization Rate (treatments)	2.0	4.2	4.6	4.7	4.6	4.49
Member Utilization Rate (visits)	0.7	1.5	1.9	1.9	1.85	1.86
Percent of members with claims	52.0%	68.5%	75.8%	74.9%	74.0%	72.3%
Average Member Age	40.0	39.2	39.0	38.8	38.9	34.8
Amount Paid Per Member Per Month	$22.78	$19.13	$23.24	$22.54	$22.23	$22.12
Amount paid Per Subscriber Per Month	$49.29	$41.47	$50.47	$49.14	$48.89	$48.48
Total paid Amount	$22,605,440	$46,869,551	56,048,330	$53,887,946	$54,348,818	$52,032,285

* Experience Period: January 2021 – May 2021

Since 2016, UDB benefits has remained largely unchanged without a deductible or waiting period, an Annual Benefit Maximum of $1,000 per participant, basic diagnostic, preventative services such as fillings, cleanings and exams have 100% coverage, and an orthodontics lifetime maximum for participants 19 years of age and younger of $1,500.

In 2019, coverage for non-surgical extractions above the gumline began at 90%. In 2020, pulp vitality tests, caries assessments and periodontal maintenance were covered at 100% for the first time. New in 2022, composite fillings will be a covered benefit for posterior (back) teeth.

Uniform Dental Benefit Audit

CTI conducted the audit for the period beginning January1, 2019 through December 31, 2020.

CTI's audit objectives were to:

- Assess eligibility verification of every claim by date of service.
- Determine if Delta followed the terms of the service agreement.
- Validate the accuracy of claims billed to determine if claims were paid according to the plan specifications and administrative agreement.
- Examine filed grievances for compliance with contract turnaround requirements.

- Review appropriateness of policies and procedures in place regarding. affirmative action, privacy, and disaster recovery and business continuation.
- Evaluate administrative performance standards as outlined in the scope of work.
- Appraise any claim administration, eligibility maintenance systems or processes for improvement.

CTI conducted this audit using the following criteria:

- Operational review and questionnaire,
- Plan documentation analysis,
- 100% electronic screening with 30 targeted samples,
- Random sample audit of 180 claims, and
- Data analytics.

The CTI Audit Executive Summary, Specific Findings Report, and work papers by Audit components for the 2019-2020 UDB Program can be found in attachments A-C of this memo.

Audit Findings and Recommendations

Operational Review

CTI conducted analysis on Delta's operations and evaluated the claims administration system, staffing, and procedures to identify deficiencies that materially affect Delta's ability to control risk and pay claims accurately. Analysis including review of claims processing controls and procedures, staffing, workflows, eligibility maintenance, internal control risk mechanisms including Health Insurance Portability and Accountability Act (HIPAA) protections, internal audit policies, fraud, waste and abuse detection, and prevention.

Two grievances filed in 2019 resulted in claims adjustments. The first example involved a member who was billed for an incorrect service. Upon detection of the error, the provider corrected the billing but included an incorrect date of service, which generated an additional claim. The error was corrected, and the overpayment was recovered. The second adjustment was for a member who thought they were incorrectly charged by a provider. Delta's review of the subscriber billing ledger resulted in the balance being adjusted according to the Preferred Provider Organization (PPO) fees.

Two grievances filed in 2020 that resulted in claims adjustments were one-time exceptions. The first was for an additional payment for the more costly composite filling, and the other was for a third oral exam based on the Evidence Based Integrated Care Plan for individuals diagnosed with certain medical conditions, making them eligible for additional dental services.

Plan Documentation Review

CTI analyzed documents governing the administration of the dental plan to identify inconsistencies, ambiguities, or missing provisions that would negatively impact

accurate claim administration. CTI received plan documentation from both Delta and ETF. CTI did not identify any inconsistencies, ambiguities, or missing provisions in the plan documentation.

Random Sample Findings

CTI validated claim processing accuracy based on a sample of 180 dental claims paid or denied by Delta during the audit period. Delta's performance was above the median in each of the CTI's benchmarked performance indicators. These were identified as financial accuracy, accurate payment, accurate processing.

CTI found that that Delta's performance was above the median in CTI's benchmarked performance indicators in financial accuracy, accurate payment, and accurate processing.

In the random sample audit of 180 claims, CTI cited one financial and one processing error. On the sample error cited, Delta handled coordination with another plan differently from the language in the Summary Plan Description (SPD) and made a $77.00 overpayment for one claim line but then handled a separate line on the claim consistent with the SPD language. CTI recommends that ETF request Delta review the financial error identified and determine whether their handling of coordination of benefits is consistent with ETF's intent. ETF will continue to work with Delta and review this matter further.

100% Electronic Screening with Targeted Sample

CTI used proprietary software to analyze claim payment and eligibility maintenance accuracy as well as opportunities for system and process improvements.

Table 2 shows the dental services identified as potentially overpaid.

Table 2- Dental Categories Identified as Potentially Overpaid

Services	Potential Recovery
Exclusion- Dental, Restorations	$5,140
Exclusion- Dental, Misc. Services	$29
Total	**$5,169**

On page 14 in the Specific Findings Report, CTI provides a detailed explanation of their results with findings for all screening categories where in their opinion, recovery or saving opportunities exists. Delta's responses included in the report are copied directly from Delta's reply to the audit findings. ETF will continue to work with Delta in reviewing these results to ensure the appropriateness of the potential overpayment and potential remedies.

CTI analysis of the electronic comparison of dates of service and ETF's eligibility file revealed some services were paid for ineligible claimants. Payments for ineligible claimants are categorized in the Table 3.

Table 3 – Employee Eligibility Categories

Employee Eligibility Category	Amount Paid
Employee After Termination Date	$4,947.80
Dependent No Matching ID	$155.00
Dependent During Eligibility Gap	$129.16
Dependent After Termination Date	$5,939.31
Total	**$11,171.27**

CTI notes that less than .02% of the ETF total dental spend processed was identified as paid for members who were not eligible for coverage. These results are low compared to the 0.5 – 0.8% CTI generally reports.

The process of a UDB claim is:

- Member sees a Delta network provider, shows their UDB card, and has the service provided.
- Provider submits the bill to Delta.
- Delta verifies UDB coverage in their system and pays the provider for the covered services.
- Delta submits claim to ETF for payment.
- ETF pays an administrative fee for each procedure to Delta.

In July 2018, the dental overpayment recovery process was established. This is a procedure to assist in the creation of an account receivables process for the UDB program. Per Wisconsin Statue §40.08(7) in conjunction with contractual provisions in the Delta contract, ETF is required to collect on over paid benefits for the dental program.

There are several processes in place at ETF to review late terminations from employers for members/subscribers and to look at potential coverage issues/claims made on behalf of the members/subscribers. Some examples are:

- Direct Pay Term Process
- Health Plan Full File Compare (FFC) Process
- Employer Retro Terms Report

These processes are managed by the Employer Services Section (ESS) and Office of Strategic Health Policy (OSHP). Once a potential member/subscriber is identified, ESS will send this information to Delta Dental to review any claims via an excel spreadsheet (last Friday of the month). Delta Dental will respond back (within five business days) to ETF using the same spreadsheet if a member/subscriber had a claim paid and should not have.

For any member/subscriber over a $50.00 limit, Delta Dental will send out the initial collection letter (ET-2800), letting the member/subscriber know why they have an overpayment, and they will be receiving an invoice from ETF. A copy of this letter is

saved in ETF's system attached to information regarding the member/subscriber. Once a receivable is created, the one-time invoice is sent out and the normal collection process will be followed.

Of the $11,171.27 in claims that were identified as paid for ineligible members, $1,930.53 has been recovered by this process.

Additional steps that ETF staff take to minimize ineligible claims being paid include reviewing weekly UDB claims reports, looking for claims exceeding the benefit limit and reviewing the number of claims submitted by specific providers. As a result of this audit's findings, Delta will send the dental program manager a monthly reconciliation report that will be cross referenced with the claims report to look for claims paid on employees that recently terminated their employment and are no longer eligible for services.

Data Analytics

CTI analyzed electronic data provided by Delta to identify improvement opportunities and potential recoveries. Information CTI reviewed included network provider utilization and discount savings. ETF members had network utilization with 99.2% of all allowed charges and 99.6% of all claims. CTI encourages ETF to continue its efforts to encourage network utilization to maximize discounts for the plan.

Conclusion

ETF will continue to monitor and review the UDB program as well as reviewing the recommendations made as part of this audit and work with Delta to make appropriate recommendations and improvements for the administration of the UDB program. The contract between ETF and CTI allows for an additional eight hours of post-audit services. ETF will continue to review the findings and recommendations of the audit and determine the best use of the available time.

Staff will be at the Board meeting to answer any questions.

Attachment A: CTI Audit of UDB Executive Summary
Attachment B: CTI Audit of UDB Specific Finding Report
Attachment C: CTI Audit of UDB Work Papers by Audit Components
Attachment D: Sample Claims Paid After Termination Recovery Letter

Comprehensive Claim Administration Audit

EXECUTIVE SUMMARY REPORT

Wisconsin Department of Employee Trust Funds Dental Plan

Administered by Delta Dental of Wisconsin

Audit Period: January 1, 2019 through December 31, 2020

Presented to

Wisconsin Department of Employee Trust Funds

August 6, 2021

CLAIM TECHNOLOGIES
INCORPORATED

TABLE OF CONTENTS

INTRODUCTION

This ***Executive Summary*** contains CTI's findings and recommendations from our audit of Delta Dental of Wisconsin's (Delta Dental) administration of the Wisconsin Department of Employee Trust Funds (ETF) plan. You can review the detail that supports CTI's findings and recommendations in our ***Specific Findings Report***.

CTI conducted the audit according to accepted standards and procedures for claim audits in the health insurance industry. We based our audit findings on the data and information provided by ETF and Delta Dental. The validity of our findings relies on the accuracy and completeness of that information. We planned and performed the audit to obtain a reasonable assurance claims were adjudicated according to the terms of the contract between Delta Dental and ETF as well as all approved plan documents and communications.

CTI specializes in the audit and control of health plan claim administration. Accordingly, the statements we make relate narrowly and specifically to the overall effectiveness of policies, procedures, and systems Delta Dental used to pay ETF's claims during the audit period. While performing the audit, CTI complied with all confidentiality, non-disclosure, and conflict of interest requirements and did not receive anything of value or any benefit of any kind other than agreed upon audit fees.

OBJECTIVES AND SCOPE

The objectives of CTI's audit of Delta Dental's claim administration were to determine whether:

- Delta Dental followed the terms of its contract with ETF;
- Delta Dental paid claims according to the provisions of the plan documents and if those provisions were clear and consistent;
- Members were eligible and covered by ETF's plan at the time a service paid by Delta Dental was incurred; and
- Any claim administration or eligibility maintenance systems or processes need improvement.

CTI audited Delta Dental's claim administration of the ETF dental plan for the period of January 1, 2019 through December 31, 2020. The population of claims and amount paid during that period were:

Total Paid Amount	$74,994,410
Total Number of Claims Paid/Denied/Adjusted	529,435

The audit included the following components which are described in greater detail on the following pages:

- Operational Review and Questionnaire
- Plan Documentation Analysis
- 100% Electronic Screening with 30 Targeted Samples
- Random Sample Audit of 180 Claims
- Data Analytics

AUDIT FINDINGS AND RECOMMENDATIONS

Random Sample Findings

CTI validated claim processing accuracy based on a sample of 180 dental claims paid or denied by Delta Dental during the audit period. We selected the random sample (stratified by the claim billed amount and the date processed) to provide a statistical confidence level of 95% +/- 3% margin of error.

CTI's Random Sample Audit categorizes errors into key performance indicators. We use this systematic labeling of errors and calculation of performance as the basis for the benchmarks generated using results from our most recent 40 dental claim audits.

The following table illustrates Delta Dental's performance was above the median in each of CTI's benchmarked performance indicators.

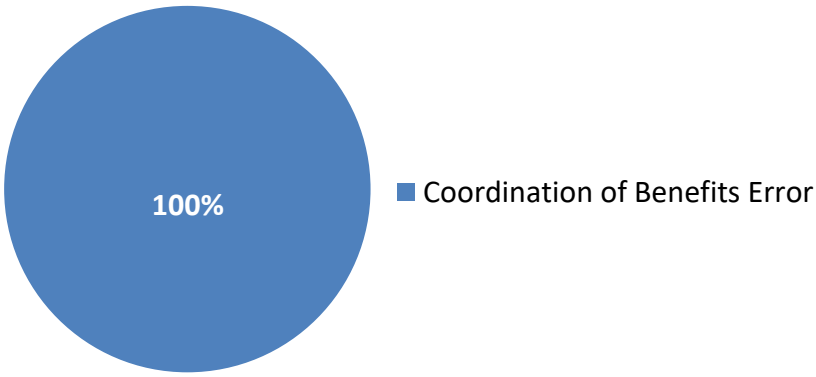
Key Performance Indicators	Administrator's Performance by Quartile				
	Quartile 1	Quartile 2	MEDIAN	Quartile 3	Quartile 4
	Lowest →				*Highest*
Financial Accuracy: Compares total dollars associated with correct claim payments to total dollars of correct claim payments that should have been made.			**99.61%**	**99.82%**	
Accurate Payment: Compares number of correctly paid claims to total number of claims paid.			**98.33%**		**99.44%**
Accurate Processing: Compares number of claims processed without any type of error (financial or non-financial) to total number of claims processed.			**97.90%**		**99.44%**

Prioritization of Process Improvement Opportunities

The following charts can help to prioritize improvement and/or recovery opportunities based on savings and service impact and to pinpoint problem causes.

In the random sample audit of 180 claims, we cited one financial and one processing error.

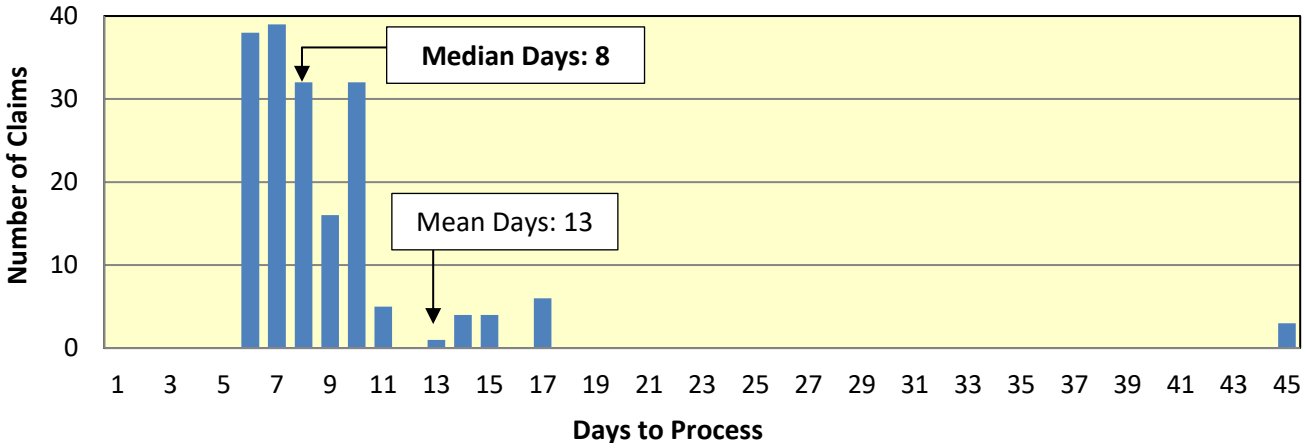
Financial Accuracy and Accurate Processing by Error Type



Claim Turnaround Time

A final measure of claim administration performance is claim turnaround time. Through the audit sample, Delta Dental demonstrated its median turnaround time on a complete claim submission was 8 days from the date it received a complete claim to the date the claim was paid or denied.

Median and Mean Claim Turnaround



Random Sample Recommendation

CTI suggests that ETF meet with Delta Dental to discuss the random sample finding. On the sample cited for error, Delta Dental handled coordination with another plan differently from the language in the Summary Plan Description (SPD) and made a $77.00 overpayment for one claim line but then also handled a separate line on the claim consistent with the SPD language. To facilitate this discussion, you should request that Delta Dental review the financial error identified in our random sample audit and if Delta Dental's handling COB consistent with ETF's intent for the plan.

100% Electronic Screening with Targeted Samples Findings

We used our proprietary Electronic Screening and Analysis System (ESAS) software to further analyze claim payment and eligibility maintenance accuracy as well as and opportunities for system and process improvement. Using the data file provided by Delta Dental, we readjudicated each line on every claim the plan paid or denied during the audit period against the plan's benefits. Our Technical Lead Auditor tested a targeted sample of 30 claims to provide insight into Delta Dental's claim administration as well as operational policies and procedures.

The following table shows the dental services identified as potentially overpaid. It is important to note that the amount shown represents potential payment errors; additional testing would be required to substantiate the findings and provide the basis for remedial action planning or recovery.

ESAS Candidates for Additional Testing	Potential Recovery
Excluded Services	**$5,169**
Dental, Misc. Services	$29
Dental, Restorations	$5,140
Employee Eligibility Screening – Claims Paid*	**$11,171.27**

**CTI notes that only .01% of the ETF's total medical spend processed by Delta Dental was identified as paid for members who may not have been eligible for coverage. These results are low compared to the 1% CTI generally reports.*

For specific information on the over and underpayments identified, see the ESAS section of CTI's ***Specific Findings Report***.

100% Electronic Screening with Targeted Samples Recommendations

ETF should talk to Delta Dental about conducting a focused analysis of the errors identified through ESAS that concerned areas in which Delta Dental's processing didn't match language in the SPD. These area were:

- *Resin-Based Composites* – Page 8 of the SPD states there is coverage for resin-based composites on anterior (front) teeth only. Delta Dental paid for resin-based composites on posterior teeth.
- *Miscellaneous Services* – Delta Dental paid for a service, D9999 (unspecified adjunctive procedure, by report) that was not specifically listed in the SPD as a covered benefit and should have been excluded.

We recommend discussion with Delta Dental about the examples where administration did not match the language in the SPD to determine if overpayment recovery and/or system improvements are possible to reduce or eliminate similar errors going forward. For the issues identified by ESAS, CTI can prepare claim detail for Delta Dental to use in its analysis.

We included an additional observation about Delta Dental's administration of bite-wing x-rays. Page 8 of the Summary Plan Description (SPD) states coverage for bitewing x-rays once per benefit period; limited to a set of 4 films. We found Delta Dental allowed coverage for code D0277, 7 to 8 radiographic images, in two targeted samples. WETF reported Delta Dental is paying the benefit as it was originally set-up at the plan's inception in 2016 and that Delta Dental's been instructed to update the summary plan description to reflect its administration.

Our screening of every claim against the eligibility file ETF provided identified 65 claimants who had $11,171.27 in claims paid beyond their eligibility dates based on ETF's research of the claimant detail.

Post-audit, CTI will provide the list of claimants ETF verified were ineligible on their dates of service to Delta Dental to research the root cause and impact analysis of ineligible payments and the circumstances of claimants' lapsed coverage including why the coverage lapsed, the status of the member, and the type of plan for ETF's review. Where needed, ETF can work with Delta Dental on remediation and recovery of payments paid for ineligible claimants.

Operational Review Findings

Delta Dental completed our Operational Review Questionnaire and provided information on its:

- Systems, staffing, and workflow;
- Claim administration and eligibility maintenance procedures; and
- Internal control risk mechanisms, e.g., HIPAA protections; internal audit policies and practices; and fraud, waste, and abuse detection and prevention.

Our review included the following:

- Delta Dental provided the following insurance coverage information:

Coverage	Amount
Fidelity Bond/Crime Policy	$5,000,000 aggregate, $100,000 retention
Errors and Omissions	$20,000,000 aggregate, $5,000,000 deductible
Cyber Liability	$20,000,000 aggregate, $5,000,000 deductible

- Delta Dental and ETF had a performance agreement in place during the audit period with performance standards with an aggregate maximum penalty of 10% based on annual

performance agreements. Delta Dental reported it did not issue a credit to ETF for deficient performance during the audit period.

- Delta Dental provided a copy of its System and Organization Controls for Service Organizations (SOC 1) report of the administrative services only group member dental benefit administration processing services for the period January 1, 2020 through September 30, 2020. The tests of internal controls by independent auditor Ernst & Young LLP did not identify any deviations.
- Delta Dental provided a copy of its System and Organization Controls for Service Organizations (SOC 2) report of the services and processes relevant to security of the period April 1, 2020 through September 30, 2020. The tests of Delta Dental's internal controls related to security by Ernst & Young LLP did not identify any deviations.
- Delta Dental's business continuity program for protection of data in case of disaster or other business interruptions included use of an offsite secondary system and a secondary data center in Shakopee, MN. The secondary system was synchronized daily with new data and code and back-ups were located at the data center in case of emergency. The hot site was tested annually at a minimum and also after significant changes to the primary claims system.
- Delta Dental confirmed it outsourced document fulfillment to two vendors, RevSpring and Advanced Business Fulfillment, LLC. In addition, P&R Dental Strategies, LLC provided consultant claim review. All vendors were required to execute business associate agreements that complied with HIPAA and HITECH guidelines.
- Delta Dental shared its equal employment opportunity and affirmative action policy that avowed Delta Dental would not discriminate against any employee or applicant for employment because of age, race, religion, color, disability, sex, physical condition, developmental disability, sexual orientation, national origin, or any other legally protected status. The policy included, but was not limited to:
  - Recruitment
  - Employment
  - Promotion
  - Demotion
  - Transfer
  - Compensation
  - Training
  - Apprenticeship
  - Layoff
  - Termination

  The policy also noted that Delta Dental agreed to take affirmative action to ensure equal employment opportunities. The policy is posted for public viewing on the Careers section of Delta Dental's web site.
- Delta Dental provided documentation of claim system controls that included secure log-on passwords and system authorization, separate duties and limited access to eligibility, provider and claim systems, and limits on overrides of system edits and limitations.
- Delta Dental provided information to brokers, employers, providers, and members about the COVID-19 pandemic on its web site.
- Delta Dental provided cost saving reports for the period of January 1, 2020 through December 31, 2020 that showed the following coordination of benefit savings during the audit period:

	2019	2020
Dollars Saved Percentage of billed charges	$5,101,516 (3.3%)	$4,647,246 (3.4%)

Delta Dental reported an 86% electro For Delta Dental's turnaround time, the grievances were resolved within the target of three business days with the exception of the one mentioned above that resulted in the additional payment of $723.50. The grievance was received on December 23, 2019, an extension letter was sent to the subscriber on December 26, 2019, and the grievance was resolved on January 8, 2020.

- nic claim submission rate on a global basis.
- Delta Dental stated 92% and 90% of ETF's claims auto-adjudicated in 2019 and 2020, respectively.
- Delta Dental performed its own overpayment recovery for all amounts with no minimum and did not have the ability to auto-recoup overpayments.
- Delta Dental tracked the reasons for overpayments whether they were solicited or unsolicited and declined to provide a report of overpayments during the audit period.
- In the event of overpayments for duplicate payments, for example, claim records were readjudicated which initiated the claim refund process. The payment was credited to ETF's claim fund during the weekly check run. At the end of each month, an itemized report that summarized the claim payment activity was generated that recaps all of that month's activity. Delta Dental also automatically sent refund notices to the affected providers and members and ETF has sole responsibility to recover the payments. In the event a check was returned by a provider payable to ETF, Delta Dental contacted the provider to have the check reissued payable to Delta Dental.
- Delta Dental did not report any subrogation recoveries during the audit period.
- Delta Dental provided a report of member and provider grievances received for plan years 2019 and 2020 and the following table summarizes the numbers received, resolution, and turnaround time.

	2019	2020
Grievances Received	6	5
Resolution		
Decision Upheld	4 (67%)	3 (60%)
Claim Adjusted	2 (33%)	2 (40%)
Turnaround Time		
Completed Within 3 Business Days	5 (83%)	5 (100%)
Completed Beyond 3 Business Days	1 (17%)	0 (0%)

Two grievances filed in 2019 resulted in a claim adjustments. On the first one, Delta Dental's research showed the patient was billed for incorrect services for a visit. Upon detecting the error, the provider corrected the billing but included an incorrect date of service which generated an additional claim. The dates and procedure codes were corrected by the provider, the overpayment was recovered, and the subscriber was informed they would receive a refund from the provider. The second adjustment was for a member who thought she was incorrectly

charged by her provider. Delta Dental's review of the subscriber's complete family billing ledger and clinical notes and the subscriber's family balance was adjusted according to the PPO fees which resulted in an additional $723.50 payment.

The two grievances filed in 2020 that resulted in claim adjustments were one-time exceptions for additional payments for the more costly white filling on the cheek side of a bicuspid and a third oral exam based on the Evidence Based Integrated Care Plan for high-risk patients.

For Delta Dental's turnaround time, the grievances were resolved within the target of three business days with the exception of the one mentioned above that resulted in the additional payment of $723.50. The grievance was received on December 23, 2019, an extension letter was sent to the subscriber on December 26, 2019, and the grievance was resolved on January 8, 2020.

- The Provider Utilization & Systematic Evaluation tool (PULSE) was used to detect potential fraud and abuse. PULSE identified providers whose claim data reflected high utilization within certain categories. Dental consultants, who are practicing dentists, examined the data to verify the treatment met benefit criteria. Follow-up work was performed by the Professional Services department.
- Delta Dental's credentialing vendor, VerifiPoint, performed continuous monitoring of Office of Inspector General sanctions and State of Wisconsin Department of Safety and Professional Services reports and decisions. The National Practitioner Data Bank was checked for each provider's credentialing and recredentialing events.
- Delta Dental reported 99.7% of claims were submitted by regular in-network providers.
- Company-wide compliance was overseen by Delta Dental's Privacy and Security Officers.
- All Delta Dental employees were required to complete HIPAA training annually. Training was delivered through an online learning course and completion of training was documented.
- All HIPAA and security policies/procedures were reviewed at least annually to ensure continued viability considering technological, environmental, or operational changes that could affect the security of sensitive data such as electronic personal health information and payment data.
- Any individual found to have violated any Information Security policy may be subject to disciplinary action up to and including termination of employment.
- Delta Dental reported it did not have any breaches triggering notification requirements during the audit period.

Operational Review Recommendation

- Delta Dental reported it did track reasons for overpayments but declined to provide a report of overpayments to CTI. If not already provided, we recommend ETF request and review periodic overpayment reports to better understand their causes, and recoveries for potential process improvement opportunities and ensure Delta Dental's recovery process is aggressive and effective.

Plan Documentation Analysis Findings and Recommendations

Our Plan Documentation Analysis found no missing or ambiguous provisions in ETF's plan documents.

Data Analytics Findings

CTI used electronic claim data provided by Delta Dental to identify improvement opportunities and potential recoveries. The informational categories we analyzed include:

- Network Provider Utilization and Discount Savings;

Network Provider Utilization and Discount Savings

CTI compared submitted charges to allowable charges for all claims paid for the plan during the audit period. The analysis relied on data provided by Delta Dental and we made no assumptions when necessary data fields were not provided. The following table shows the results of CTI's analysis of the value of discounts given by network providers as a percentage of all claims processed during the audit period. Paid claims totals do not include claims paid for members 65 and older.

ETF members had network utilization with 99.2% of all allowed charges and 99.6% of all claims.

Total of All Claims				
Claim Type	**Allowed Amount**	**Provider Discount**		**Paid**
Ancillary	$0	$0	0.0%	$0
Non-Facility	$129,974,112	$42,613,454	24.7%	$62,353,434
Facility Inpatient	$0	$0	0.0%	$0
Facility Outpatient	$0	$0	0.0%	$0
Total	**$129,974,112**	**$42,613,454**	**24.7%**	**$62,353,434**

Data Analytics Recommendations

ETF plan members had high utilization of participating providers and we encourage ETF to continue its efforts to encourage network utilization to maximize discounts for the plan.

CONCLUSION

We understand you will need to review these findings and recommendations to determine your priorities for action. Should ETF desire additional assistance with this, our contract offers eight hours of post-audit time to help you create an implementation plan.

CTI also suggests that ETF perform a follow-up audit to verify that Delta Dental has made the recommended improvements, that performance results against benchmarks are at expected levels and that no new processing issues have arisen.

We consider it a privilege to have worked for, and with, your staff and we welcome any opportunity to assist you in the future. Thank you again for choosing CTI.

CLAIM TECHNOLOGIES INCORPORATED

100 Court Avenue – Suite 306 • Des Moines, IA 50309

(515) 244-7322 • claimtechnologies.com

Comprehensive Claim Administration Audit

SPECIFIC FINDINGS REPORT

Wisconsin Department of Employee Trust Funds Dental Plan

Administered by Delta Dental of Wisconsin

Audit Period: January 1, 2019 through December 31, 2020

Presented to

Wisconsin Department of Employee Trust Funds

October 20, 2021

CLAIM TECHNOLOGIES
INCORPORATED

TABLE OF CONTENTS

INTRODUCTION

This ***Specific Findings Report*** contains CTI's findings and recommendations from our audit of Delta Dental of Wisconsin's (Delta Dental) administration of the Wisconsin Department of Employee Trust Funds (ETF) plan. The statistics, observations, and findings in this report constitute the basis for the analysis and recommendations presented under separate cover in the ***Executive Summary***. We provide this report to ETF, the plan sponsor, and Delta Dental, the claims administrator. A copy of Delta Dental's response to these findings can be found in Appendix B of this report.

CTI conducted the audit according to accepted standards and procedures for claim audits in the health insurance industry. We based our audit findings on the data and information provided by ETF and Delta Dental. The validity of our findings relies on the accuracy and completeness of that information. We planned and performed the audit to obtain a reasonable assurance claims were adjudicated according to the terms of the contract between Delta Dental and ETF.

CTI specializes in the audit and control of health plan claim administration. Accordingly, the statements we make relate narrowly and specifically to the overall effectiveness of policies, procedures, and systems Delta Dental used to pay ETF's claims during the audit period. While performing the audit, CTI complied with all confidentiality, non-disclosure, and conflict of interest requirements and did not receive anything of value or any benefit of any kind other than agreed upon audit fees.

Audit Objectives

The objectives of CTI's audit of Delta Dental's claim administration were to determine whether:

- Delta Dental followed the terms of its contract with ETF;
- Delta Dental paid claims according to the provisions of the plan documents and if those provisions were clear and consistent;
- Members were eligible and covered by ETF's plan at the time a service paid by Delta Dental was incurred; and
- Any claim administration or eligibility maintenance systems or processes need improvement.

Audit Scope

CTI audited Delta Dental's claim administration of the ETF dental plan for the period of January 1, 2019 through December 31, 2020. The population of claims and amount paid during that period were:

Total Paid Amount	$74,994,410
Total Number of Claims Paid/Denied/Adjusted	529,435

The audit included the following components:

1. **Operational Review and Questionnaire**
   - Claim administrator information
   - Claim administrator claim fund account
   - Claim adjudication and eligibility maintenance procedures
   - HIPAA compliance

2. **Plan Documentation Analysis**
   - Plan documents and other approved communications
   - Administrative services agreement
   - Identify missing provisions, ambiguities, and inconsistencies

3. **100% Electronic Screening with 30 Targeted Samples**
   - Systematic analysis of 100% of paid claims
   - Eligibility verification
   - Problem identification and quantification

4. **Random Sample Audit of 180 Claims**
   - Statistical confidence at 95% +/- 3%
   - Key Indicator performance levels
   - Benchmarking
   - Identify and prioritize problems

5. **Data Analytics**
   - Provider Discounts

OPERATIONAL REVIEW

Objective

CTI's Operational Review evaluates Delta Dental's claim administration systems, staffing, and procedures to identify any deficiencies that materially affect its ability to control risk and pay claims accurately on behalf of the plan.

Scope

The scope of the Operational Review included:

- Claim administrator information
  - Insurance and bonding
  - Conflicts of interest
  - Internal audit
  - Financial reporting
  - Business continuity planning
  - Claim payment system and coding protocols
  - Data and system security
  - Staffing
- Claim funding
  - Claim funding mechanism
  - Check processing and security; and
  - COBRA/direct pay premium collections
- Claim adjudication, customer service, and eligibility maintenance procedures
  - Exception claim processing
  - Eligibility maintenance and investigation
  - Overpayment recovery
  - Customer service call and inquiry handling
  - Network utilization
  - Utilization review, case management, and disease management
  - Appeals processing
- HIPAA compliance

Methodology

CTI used an Operational Review Questionnaire to gather information from Delta Dental. We modeled our questionnaire after the audit tool used by certified public accounting firms when conducting an SSAE 18 audit of a service administrator. We modified that tool to elicit information specific to the administration of your plan.

We reviewed Delta Dental's responses and any supporting documentation supplied to gain an understanding of the procedures, staffing, and systems used to administer ETF's plan. This allowed us to conduct the audit more effectively.

In addition to the questionnaire, we used our proprietary Electronic Screening and Analysis System (ESAS®) software to identify the best cases to test operational processes. We selected a targeted sample of 30 cases and provided a substantive testing questionnaire to Delta Dental to collect information for

each. We used the responses provided to validate that Delta Dental followed procedures to control risk and accurately pay claims. Following is a list of sample screening categories used to identify candidate cases for operational testing:

ESAS Screening Categories
Duplicate Payments to Providers and/or Employees
Fraud, Waste, and Abuse
Coordination of Benefits

Findings

Claim Administrator Information

CTI reviewed information about Delta Dental including:

- Background information
- Financial reports
- Insurance protection types and levels
- Dedicated staffing
- Systems and software
- Fee and commission disclosure
- Performance standards
- Internal audit practices

Our review included the following:

- Delta Dental provided the following insurance coverage information:

Coverage	Amount
Fidelity Bond/Crime Policy	$5,000,000 aggregate, $100,000 retention
Errors and Omissions	$20,000,000 aggregate, $5,000,000 deductible
Cyber Liability	$20,000,000 aggregate, $5,000,000 deductible

- Delta Dental and ETF had a performance agreement in place during the audit period with performance standards in the following categories with an aggregate maximum penalty of 10% based on annual performance agreements:

Performance Guarantee Standards	Reporting Basis
Claim Quality Financial Accuracy Processing Accuracy	Aggregate
Claim Turnaround	Aggregate
Customer Service Call answer rate Call abandonment rate First call resolution Written inquiry response Call volume standard Quality assurance review	Client-Specific

Performance Guarantee Standards	Reporting Basis
Member Satisfaction	Client-Specific
Member Complaint Rate	Client-Specific
Formal Complaint Rate	Client-Specific
Website Availability	Aggregate
Network Utilization	Client-Specific
Claim Cost	Client-Specific

Delta Dental reported it did not issue a credit to ETF for deficient performance during the audit period.

- Delta Dental provided a copy of its System and Organization Controls for Service Organizations (SOC 1) report of the administrative services only group member dental benefit administration processing services for the period from January 1, 2020 through September 30, 2020. The tests of Delta Dental's internal controls by independent auditor Ernst & Young LLP did not identify any deviations.
- Delta Dental provided a copy of its System and Organization Controls for Service Organizations (SOC 2) report of the services and processes relevant to security of the period April 1, 2020 through September 30, 2020. The tests of Delta Dental's internal controls related to security by Ernst & Young LLP did not identify any deviations.
- Delta Dental has processed claims on a proprietary claims processing system, the Advantech Benefit Administration System, since 1985 and it was able to detect unbundling of services.
- Delta Dental's business continuity program for protection of data in case of disaster or other business interruptions included use of an offsite secondary system and a secondary data center in Shakopee, MN. In the event of a disaster or other business interruption, the secondary system would take over as the primary system. The secondary system was synchronized daily with new data and code through a secure internet channel and back-ups were located at the data center in case of emergency. The hot site was tested annually at a minimum and also after significant changes to the primary claims system.
- Delta Dental confirmed it outsourced document fulfillment to two vendors, RevSpring and Advanced Business Fulfillment, LLC. In addition, P&R Dental Strategies, LLC provided consultant claim review. All vendors were required to execute business associate agreements that complied with HIPAA and HITECH guidelines.
- Delta Dental shared its equal employment opportunity and affirmative action policy that avowed Delta Dental would not discriminate against any employee or applicant for employment because of age, race, religion, color, disability, sex, physical condition, developmental disability, sexual orientation, national origin, or any other legally protected status. The policy included, but was not limited to:

  - Recruitment
  - Demotion
  - Training
  - Termination
  - Employment
  - Transfer
  - Apprenticeship
  - Promotion
  - Compensation
  - Layoff

The policy also noted that Delta Dental agreed to take affirmative action to ensure equal employment opportunities. The policy is posted for public viewing on the Careers section of Delta Dental's web site.

Claim Funding

CTI reviewed Delta Dental's claim check controls and procedures for:

- Claim funding
- Fund reconciliation
- Refund and returned check handling
- Security
- Stale check disposition
- Audit trail reports

We observed the following:

- Delta Dental issued claim checks from its own checking account, which was designated solely for claim payments.
- Delta Dental indicated it performed and handled reconciliation of the account.
- In the event of overpayments for duplicate payments, for example, claim records were readjudicated which initiated the claim refund process. The payment was credited to ETF's claim fund during the weekly check run. At the end of each month, an itemized report that summarized the claim payment activity was generated that recaps all of that month's activity. Delta Dental also automatically sent refund notices to the affected providers and members and ETF has sole responsibility to recover the payments. In the event a check was returned by a provider payable to ETF, Delta Dental contacted the provider to have the check reissued payable to Delta Dental.
- Upon notification through a phone call, written correspondence or electronic correspondence, Delta Dental will reissue stale checks.
- Annually, Delta Dental mailed unclaimed property letters to members who had outstanding checks from three to five years before. The unclaimed stale checks were turned over to members' State unclaimed funds programs and members were directed to the web site or department at the states in which they resided.
- Delta Dental provided documentation of claim system controls that included secure log-on passwords and system authorization, separate duties and limited access to eligibility, provider and claim systems, and limits on overrides of system edits and limitations.
- Delta Dental batched provider claim payments weekly.
- Delta Dental reported it did not honor assignment of benefits to non-network providers.

Claim Adjudication, Customer Service, and Eligibility Maintenance Procedures

CTI reviewed Delta Dental's enrollment, eligibility maintenance, and claim processing controls and procedures. We observed the following:

- Delta Dental provided information to brokers, employers, providers, and members about the COVID-19 pandemic on its web site.
- Member eligibility was reported daily to Delta Dental through an electronic 834 EDI file.

- Delta Dental did not perform over-age dependent eligibility and instead relied on the ETF to verify eligibility for dependents older than the maximum age for the plan.
- Delta Dental screened information at the claim point of entry to determine if coordination of benefits opportunities existed.
- Delta Dental followed the State of Wisconsin insurance guidelines for members with multiple coverages.
- Delta Dental reported coordination of benefits among all coverages could not exceed 100% of the total charges.
- Delta Dental provided cost saving reports for the period of January 1, 2020 through December 31, 2020 that showed the following coordination of benefit savings during the audit period:

	2019	2020
Dollars Saved Percentage of billed charges	$5,101,516 (3.3%)	$4,647,246 (3.4%)

- Delta Dental reported an 86% electronic claim submission rate on a global basis.
- Delta Dental stated that 92% and 90% of ETF's claims auto-adjudicated in 2019 and 2020, respectively.
- Delta Dental performed its own overpayment recovery for all amounts with no minimum and did not have the ability to auto-recoup overpayments.
- Delta Dental did not use the services of a vendor to recover overpayments.
- Delta Dental tracked the reasons for overpayments whether they were solicited or unsolicited and declined to provide a report of overpayments during the audit period.
- Delta Dental did not report any subrogation recoveries during the audit period.
- Delta Dental tracked and recorded complaints and acknowledged receipt within one business day. Final resolution was shared with ETF and the complainant within three business days.
- Delta Dental provided a report of member and provider grievances received for plan years 2019 and 2020 and the following table summarizes the numbers received, resolution, and turnaround time.

	2019	2020
Grievances Received	6	5
Resolution		
Decision Upheld	4 (67%)	3 (60%)
Claim Adjusted	2 (33%)	2 (40%)
Turnaround Time		
Completed Within 3 Business Days	5 (83%)	5 (100%)
Completed Beyond 3 Business Days	1 (17%)	0 (0%)

Two grievances filed in 2019 resulted in a claim adjustments. On the first one, Delta Dental's research showed the patient was billed for incorrect services for a visit. Upon detecting the error, the provider corrected the billing but included an incorrect date of service which generated an additional claim. The dates and procedure codes were corrected by the provider, the overpayment was recovered, and the subscriber was informed they would receive a refund from the provider. The second adjustment was for a member who thought she was incorrectly charged by her provider. Delta Dental's review of the subscriber's complete family billing ledger and clinical notes and the subscriber's family balance was adjusted according to the PPO fees which resulted in an additional $723.50 payment.

The two grievances filed in 2020 that resulted in claim adjustments were one-time exceptions for additional payments for the more costly white filling on the cheek side of a bicuspid and a third oral exam based on the Evidence Based Integrated Care Plan for high-risk patients.

For Delta Dental's turnaround time, the grievances were resolved within the target of three business days with the exception of the one mentioned above that resulted in the additional payment of $723.50. The grievance was received on December 23, 2019, an extension letter was sent to the subscriber on December 26, 2019, and the grievance was resolved on January 8, 2020.

- The Provider Utilization & Systematic Evaluation tool (PULSE) was used to detect potential fraud and abuse. PULSE identified providers whose claim data reflected high utilization within certain categories. Dental consultants, who are practicing dentists, examined the data to verify the treatment met benefit criteria. Follow-up work was performed by the Professional Services department.
- Delta Dental's credentialing vendor, VerifiPoint, performed continuous monitoring of Office of Inspector General sanctions and State of Wisconsin Department of Safety and Professional Services reports and decisions. The National Practitioner Data Bank was checked for each provider's credentialing and recredentialing events.
- Delta Dental reported 99.7% of claims were submitted by regular in-network providers.

HIPAA Compliance

CTI reviewed information about the systems and processes Delta Dental had in place to maintain compliance with HIPAA regulations. The objective was to determine if the administrator was aware of the HIPAA regulations and was compliant at the time of the audit. We observed the following:

- Company-wide compliance was overseen by Delta Dental's Privacy and Security Officers.
- The designated Security Liaison, with overall responsibility for the development and implementation of policies that conform to HIPAA and other applicable Security Regulations, was the Compliance Manager.
- Delta Dental's General Security Compliance, Data Risk Classification, and Electronic Protected Health Information Access policies were designed to protect the confidentiality, integrity, and availability of electronic protected health information by DDWI employees, third-parties, service providers, contractors, temporary employees, and/or other staff members at Delta Dental of Wisconsin, whether conducting activities on DDWI premises or off-site.

- All Delta Dental employees were required to complete HIPAA training annually. Training was delivered through an online learning course and completion of training was documented.
- In addition, Delta Dental's technology partner, NorthWinds Technology Solutions, LLC staff were required to be familiar with, understand, and follow all HIPAA security regulations/requirements.
- An overall assessment of NorthWinds' security function was performed on an annual basis by review and validation it followed its security policies, as well as review of a SOC 2 report issued by an independent auditor.
- All HIPAA and security policies/procedures were reviewed at least annually to ensure continued viability considering technological, environmental, or operational changes that could affect the security of sensitive data such as electronic personal health information and payment data.
- All changes to HIPAA were communicated to staff quarterly in coordination with changes to other corporate policies and reminders were communicated to the organization on an as-needed basis.
- Delta Dental reported it did not have any breaches triggering notification requirements during the audit period.

Electronic Screening and Analysis System (ESAS®) and Targeted Samples of Administrative Procedures
We used ESAS to test Delta Dental's controls and procedures by selecting specific claim cases processed during the audit period. We prepared testing questionnaires (QID) for each and sent them to the administrator for completion. A CTI auditor reviewed the responses and supporting documentation.

CTI's audit did not identify any candidate cases for operational testing.

PLAN DOCUMENTATION ANALYSIS

Objective

CTI's Plan Documentation Analysis evaluates the documents governing administration of ETF's dental plan and identifies inconsistencies, ambiguities, or missing provisions that might negatively impact accurate claim administration. Through this evaluation, we gained an understanding of Delta Dental's administrative service responsibilities for ETF's dental plan. This understanding allowed us to audit more effectively.

Scope

Our auditors evaluated:

- Plan documents, descriptions, and any amendments
- Administrative services agreement

Methodology

CTI obtained a copy of the plan documentation from ETF and/or Delta Dental. Our auditors reviewed the applicable documents to better understand the provisions Delta Dental should have used to adjudicate all dental claims. We used a benefit matrix to help us understand your plan provisions. CTI's benefit matrix is a composite listing of the benefit provisions, exclusions, and limitations we expect to see in a plan document. When completed, the matrix allowed us to identify inconsistencies, ambiguities, or missing provisions.

CTI obtained clarification from ETF about any inconsistencies in the plan documents. Our auditors then used the benefit matrix as a cross-reference tool as they audited claims.

Findings

Our auditors did not identify any inconsistencies, ambiguities, or missing provisions in our Plan Documentation Analysis.

100% ELECTRONIC SCREENING WITH TARGETED SAMPLE ANALYSIS

Objective

CTI's Electronic Screening and Analysis System (ESAS) software identified and quantified potential claim administration payment errors. ETF and Delta Dental should talk about any verified under- or overpayments to determine the appropriate actions to correct the errors.

Scope

CTI electronically screened 100% of the service lines processed by Delta Dental during the audit period. The accuracy and completeness of Delta Dental's data directly impacted the screening categories we completed and the integrity of our findings. We screened the following high-level ESAS categories to identify potential amounts at risk:

- Duplicate payments to providers and/or employees
- Plan exclusions and limitations

Methodology

We used ESAS to analyze claim payment and eligibility maintenance accuracy as well as and opportunities for system and process improvement. Using the data file provided by Delta Dental, we readjudicated each line on every claim the plan paid or denied during the audit period against the plan's benefits. Our Technical Lead Auditor tested a targeted sample of claims to provide insight into Delta Dental's claim administration as well as operational policies and procedures. We followed these procedures to complete our ESAS process:

- ***Electronic Screening Parameters Set*** – We used your plan document provisions to set the parameters in ESAS.
- ***Data Conversion*** – We converted and validated your claim data, reconciled it against control totals, and checked it for reasonableness.
- ***Electronic Screening*** – We systematically screened 100% of the service lines processed and flagged claims not administered according to plan parameters.
- ***Auditor Analysis*** – If claims within an ESAS screening category represented a material amount, our auditors analyzed the findings to confirm results were valid. When using ESAS to identify payment errors, note that incomplete claim data could lead to false positives. CTI auditors made every effort to identify and remove false positives.
- ***Targeted Sample Analysis*** – From the categories identified with material amounts at risk, we selected the best examples of potential under- or overpayments to test. As cases were not randomly selected, we cannot extrapolate results. We selected a total of 30 cases and sent your administrator a questionnaire for each. Targeted samples verified if the claim data supported our finding and if our understanding of plan provisions matched Delta Dental's administration.
- ***Audit of Administrator Response and Documentation*** – We reviewed the responses and redacted the responses to eliminate personal health information. Based on the responses and further analysis of the findings, we removed false positives identified from the potential amounts at risk.
- ***Eligibility Verification of Every Claim by Date of Service*** – We used ESAS to compare service dates against the eligibility periods provided to us to look for claims paid for ineligible members.

Findings

While we are confident in the accuracy of our ESAS results, note the dollar amounts associated with the results represent potential payment errors and process improvement opportunities. We would have to perform additional testing to substantiate the findings that could then provide the basis for remedial action planning or reimbursement.

The following report shows, by category, the number of line items or claims and the total potential amount at risk remaining at the conclusion of our analysis, targeted samples, and removal of verified false positives. Following the report is a detailed explanation of our results with findings for all screening categories where, in our opinion, process improvement, recovery or savings opportunities exist. The administrator responses are copied directly from Delta Dental's reply to audit findings.

Categories for Potential Amount at Risk					
Client: ETF **Screening Period:** January 1, 2019 through December 31, 2020					
Category	**Lines**	**Claimants**	**Charge**	**Benefit**	**Potential at Risk**
Plan Exclusions					
Exclusion-Dental, Misc. Services	1	1	$0	$29	$29
Exclusion-Dental, Restorations	31	25	$6,065	$5,140	$5,140

Plan Exclusions Detail

Electronic screening of all service lines processed revealed that some services were potentially overpaid as a result of paying for excluded services. Analysis confirmed the opportunity for process improvement and findings proved to be sufficiently material to warrant further testing. We sent questionnaires to Delta Dental for written response. After review of the response and additional information provided, CTI confirmed the potential for process improvement.

Detail Report				
QID	**Category**	**Under/ Over Paid**	**Delta Dental Response**	**CTI Conclusion**
23	Restorations	$50.00	Disagree. On 11/23/2020 the provider's office contacted Delta Dental to correct code from D2950 (core buildup, including any pins when required) to D2393 (resin-based composite - three surfaces, posterior). The claim was adjusted to allow benefit. Per the group's Summary Plan Description, restorations are a covered benefit. Auto-adjudicated originally; adjusted manually.	Procedural deficiency and overpayment remain. Page 8 of the SPD *states coverage for resin-based composites on anterior (front) teeth only*. Tooth 4, a posterior tooth, was treated.
24		$46.00	Disagree. D2392 is a resin-based composite restoration. Per the group's Summary Plan Description, restorations are a covered benefit. Auto-adjudicated originally; adjusted manually.	Procedural deficiency and overpayment remain. Page 8 of the SPD states *coverage for resin-based composites on anterior (front) teeth only*. Tooth 13, a posterior tooth, was treated.

Detail Report				
QID	**Category**	**Under/ Over Paid**	**Delta Dental Response**	**CTI Conclusion**
25		$801.00	Disagree. D2390 is a resin-based composite crown, anterior restoration. Per the group's Summary Plan Description, restorations are a covered benefit. Auto-adjudicated.	Procedural deficiency and overpayment remain. Page 10 of the SPD in the exclusions section, item 16, states *charges for treatment of, or services related to, crowns, inlays, onlays, fixed bridgework, partial or complete dentures, or implants are not covered*.
26		$359.00	Disagree. D2390 is a resin-based composite crown, anterior restoration. Per the group's Summary Plan Description, restorations are a covered benefit. Auto-adjudicated.	Procedural deficiency and overpayment remain. Page 10 of the SPD in the exclusions section item 16, states *charges for treatment of, or services related to, crowns, inlays, onlays, fixed bridgework, partial or complete dentures, or implants are not covered.*
27		$66.00	Disagree. On 2/11/2020 the provider's office contacted Delta Dental with correct code D2393 (resin-based composite - three surfaces, posterior). The claim was adjusted to allow benefit. Per the group's Summary Plan Description, restorations are a covered benefit. Auto-adjudicated originally; adjusted manually.	Procedural deficiency and overpayment remain. Page 8 of the SPD states *coverage for resin-based composites on anterior (front) teeth only*. Tooth 14, a posterior tooth, was treated.
28		$44.00	Disagree. D2391 is a resin-based composite restoration. Per the group's Summary Plan Description, restorations are a covered benefit. Auto-adjudicated; adjusted manually.	Procedural deficiency and overpayment remain. Page 8 of the SPD states *coverage for resin-based composites on anterior (front) teeth only*. Tooth 18, a posterior tooth, was treated.
30	Miscellaneous Services	$29.22	Disagree. D9999 (unspecified adjunctive procedure, by report) is a covered adjunctive service included in original benefit set up. This service is not specifically listed in the group's Summary Plan Description. See screen shot from It's Your Choice 2016 Certificate of Coverage. Auto-adjudicated originally; adjusted manually.	Procedural deficiency and overpayment remain. Page 10 of the SPD in the exclusions section, item 18, states *procedures or benefits not specifically provided under this dental Plan or excluded by Delta Dental rules and regulations, including Delta Dental processing policies, which may change periodically and are printed on the Explanation of Benefits and Explanation of Payment forms are not covered.*

Additional Observation

During the ESAS review, our auditor observed the following procedures or situations that may not have caused an error on the sampled claim but may impact future claims or overall quality of service.

Observation	QID Number
Page 8 of the Summary Plan Description (SPD) states coverage for bitewing x-rays once per benefit period; limited to a set of 4 films. Delta Dental's allowed coverage for code D0277, 7 to 8 radiographic images. WETF reported Delta Dental is paying the benefit as it was originally set-up at the plan's inception in 2016 and that Delta has been instructed to update the summary plan description to reflect its administration.	18, 19

Our electronic comparison of dates of service and ETF's electronic eligibility file revealed that some services were paid during the audit period for potentially ineligible claimants. At this time, potentially overpaid amounts have been flagged into one of the following categories:

Employee Eligibility Screening Subcategory	Amount Paid
After Termination Date of Employee's Coverage	$4,947.80
Subtotal	$4,947.80
Dependent Eligibility Screening Subcategory	**Amount Paid**
No Identification Match to Any Eligible Employee	$155.00
Payments During Gaps in Coverage	$129.16
After Termination Date of Employee's Coverage	$5,939.31
Subtotal	$6,223.47
COMBINED TOTAL*	**$11,171.27**

**CTI notes that only .01% of the ETF's total dental spend processed by Delta Dental was identified as paid for members who may not have been eligible for coverage. These results are low compared to the less than 1% CTI generally reports.*

CTI provided ETF with detail reports listing individuals with flagged claims to validate eligibility data provided for this screening was correct and did not generate false positives. ETF validated the findings against its records.

Post-audit, CTI will provide the list of claimants ETF verified were ineligible on their dates of service to Delta Dental to research the root cause and impact analysis of ineligible payments and the circumstances of claimants' lapsed coverage including why the coverage lapsed, the status of the member, and the type of plan for ETF's review. Where needed, ETF can work with Delta Dental on remediation and recovery of payments paid for ineligible claimants.

RANDOM SAMPLE AUDIT

Objectives

The objectives of our Random Sample Audit were to determine if claims were paid according to plan specifications and the administrative agreement, to measure and benchmark process quality, and to prioritize areas of administrative deficiency for further review and remediation.

Scope

CTI's Random Sample Audit included a stratified random sample of 180 paid or denied claims. The statistical confidence level of the audit sample was 95%, with a 3% margin of error. A copy of the Sample Construction and Weighting Methodology Report for the sample is in Appendix A.

Delta Dental's performance was measured using the following key performance indicators:

- Financial Accuracy
- Accurate Payment
- Accurate Processing

We also measured claim turnaround time, a commonly relied upon performance measure.

Methodology

Our Random Sample Audit ensures a high degree of consistency in methodology and is based upon the principles of statistical process control with a management philosophy of continuous quality improvement. Our auditors reviewed each sample claim selected to ensure it conformed to plan specifications, agreements, and negotiated discounts. We recorded our findings in our proprietary audit system.

When applicable, we cited claim payment and processing errors identified by comparing the way a selected claim was paid and the information Delta Dental had available at the time the transaction was processed**. It is important to note that even if the sampled claim was subsequently corrected prior to CTI's audit, we have still cited the error so you can discuss how to reduce errors and re-work in the future with your administrator.**

CTI communicated with Delta Dental in writing about any errors or observations using system-generated response forms. We sent Delta Dental a preliminary report for its review and written response. We considered Delta Dental's written response, as found in Appendix B, when producing our final reports.

Findings

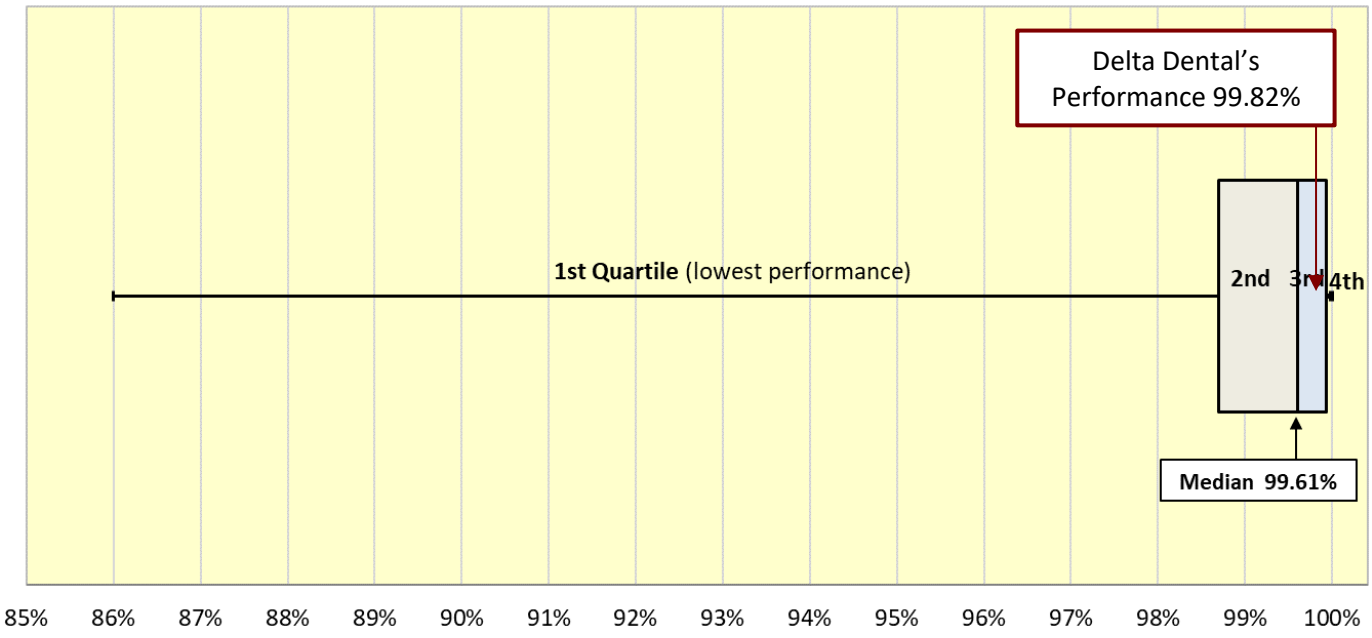
The following box and whiskers charts demonstrate Delta Dental's performance as compared to the last 40 dental audits performed by CTI. The fourth quartile represents the 10 highest performing plans, and the first quartile represents the lowest 10. The Median is the point at which 20 plans audited were above, and 20 plans were below.

Financial Accuracy

CTI defines Financial Accuracy as the total correct claim payments made compared to the total dollars of correct claim payments that should have been made for the audit sample.

The claims sampled and reviewed revealed no underpayments and $60.00 in overpayments, for a combined variance of $60.00. The correct payment total for the adequately documented claims in the audit sample should have been $28,254.27.

The weighted Financial Accuracy rate was 99.82%.



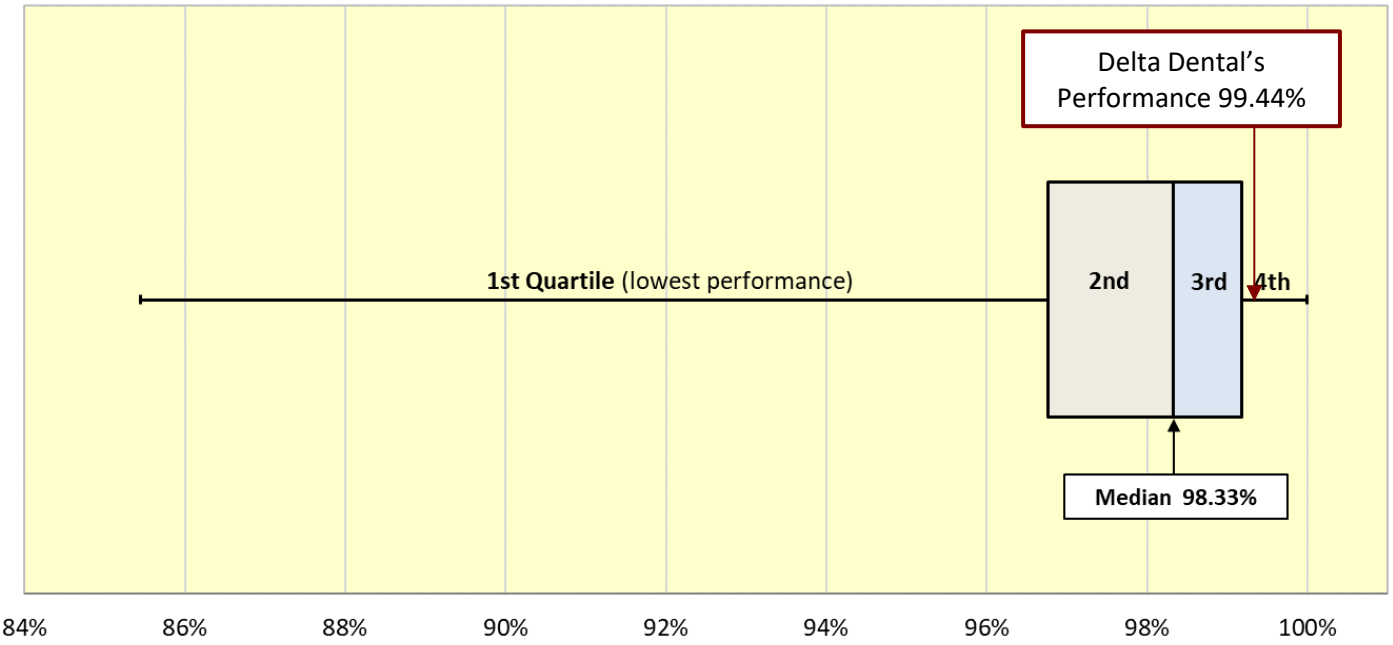
Financial Accuracy and Accurate Payment Detail Report						
Error Description	**Audit No.**	**Under/ Over Paid**	**Delta Dental Response**	**CTI Conclusion**	**Manual or System**	
Coordination of Benefits	1077	$60.00	Disagree. As the secondary plan, Delta Dental's system determines the balance remaining after the primary carrier's payment and the amount Delta Dental could pay. If the amount Delta Dental could pay is less than or equal to the balance, Delta Dental will benefit the full amount that can be paid under the plan. If the amount Delta Dental could pay is greater than the balance, Delta Dental will benefit only the balance remaining. Coordination of benefit payments between all plans cannot exceed 100% of the total charges. The claim was auto adjudicated.	Procedural error and overpayment remain. Page 13 of the SPD states *benefits of this Plan may be reduced under this paragraph so that the total benefits paid or provided by all Plans during a Claim Determination Period are not more than the total Allowable Expenses*. Delta Dental allowed amount for D2393 is $185.00 and the other insurance paid $108.00, leaving $77.00 payable. $137.00 was paid by Delta Dental. The allowed amount for code D0210, billed on the same claim, was processed using an approved and allowed amount of $130.00, which was paid in full by the other carrier. Delta Dental did not make an additional payment for this service's fee adjustment of $69.00 as it did for code D2393.	☐ M ☒ S	
Subtotal	**1**					
TOTALS	**1**	**VARIANCE $60.00**			**M: 0**	**S: 1**

Accurate Payment

CTI defines Accurate Payment as the number of claims paid correctly compared to the total number of claims paid for the audit sample.

The audit sample revealed 1 incorrectly paid claim and 179 correctly paid claims. Note CTI only uses adequately documented claims for this calculation.

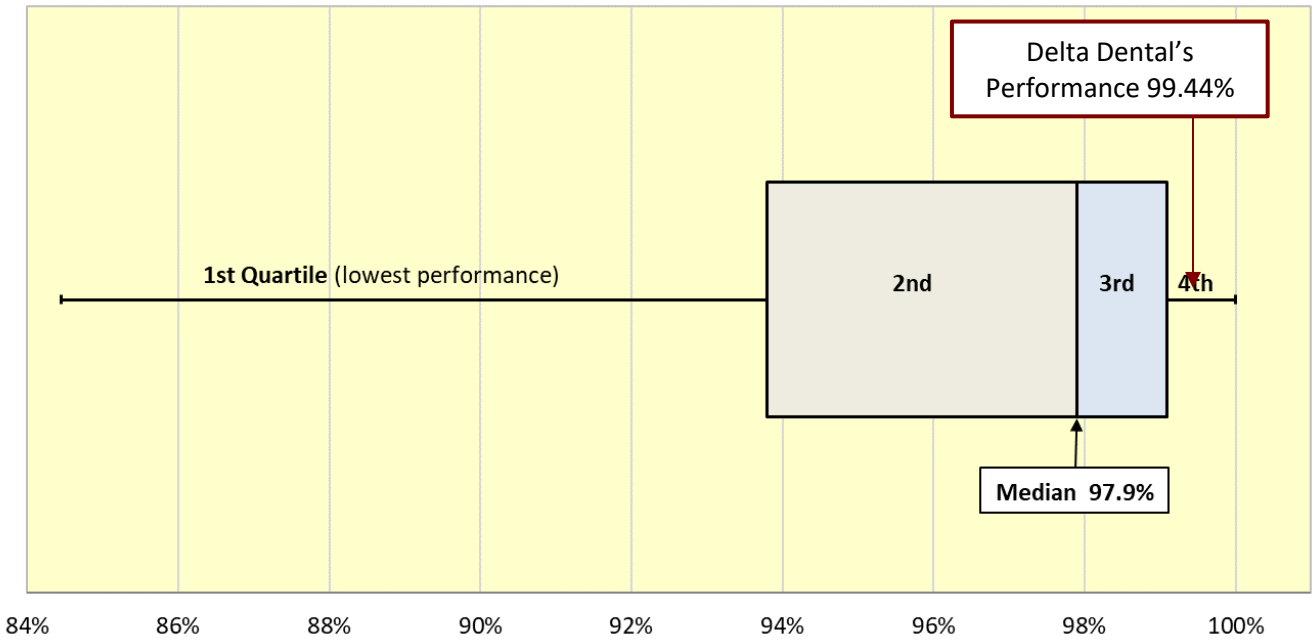
Total Claims	Incorrectly Paid Claims		Frequency
	Underpaid Claims	Overpaid Claims	
180	0	1	99.44%



Accurate Processing

CTI defines Accurate Processing as the number of claims processed without errors compared to the total number of claims processed in the audit sample. When a claim had errors that applied in more than one category, it was counted only once as a single incorrect claim for this measure.

Correctly Processed Claims	Incorrectly Processed Claims		Frequency
	System	Manual	
179	1	0	99.44%



Accurate Processing Detail Report				
Error Description	**Audit No.**	**Delta Dental Response**	**CTI Conclusion**	**Manual or System**
Coordination of Benefits	1077	Disagree. As the secondary plan, Delta Dental's system determines the balance remaining after the primary carrier's payment and the amount Delta Dental could pay. If the amount Delta Dental could pay is less than or equal to the balance, Delta Dental will benefit the full amount that can be paid under the plan. If the amount Delta Dental could pay is greater than the balance, Delta Dental will benefit only the balance remaining. Coordination of benefit payments between all plans cannot exceed 100% of the total charges. The claim was auto adjudicated.	Procedural error remains. Page 13 of the SPD states *benefits of this Plan may be reduced under this paragraph so that the total benefits paid or provided by all Plans during a Claim Determination Period are not more than the total Allowable Expenses*. Delta Dental allowed amount for D2393 is $185.00 and the other insurance paid $108.00, leaving $77.00 payable. $137.00 was paid by Delta Dental. The allowed amount for code D0210, billed on the same claim, was processed using an approved and allowed amount of $130.00, which was paid in full by the other carrier. Delta Dental did not make an additional payment for this service's fee adjustment of $69.00 as it did for code D2393.	☐ M ☒ S

Claim Turnaround

CTI defines Claim Turnaround as the number of calendar days required to process a claim – from the date the claim was received by the administrator to the date a payment, denial, or additional information request was processed – expressed as both the Median and Mean for the audit sample.

Claim administrators commonly measure claim turnaround time in mean days. Median days, however, is a more meaningful measure for administrators to focus on when analyzing claim turnaround because it prevents one or just a few claims with extended turnaround time from distorting the true performance picture.

Median	Mean	+45 Days to Process
8	13	3

DATA ANALYTICS

This component of our audit used your electronic claim data to identify improvement opportunities and potential recoveries. The informational categories we analyzed include:

- Network Provider Utilization and Discount Savings

The following pages provide the scope and report for each data analytic to enable more-informed decisions about ways ETF can maximize benefit plan administration and performance.

Network Provider Utilization and Discount Savings

The Network Provider Utilization and Discount Savings report provides an evaluation of provider network discounts obtained during the audit period. Since discounts can be calculated differently by administrators, carriers, and benefit consultants, we believe calculating discounts in the same manner for all of our clients will allow for more meaningful comparisons to be made.

Scope

CTI compared submitted charges to allowable charges for all claims paid during the audit period. The review was divided into three subsets:

- In-network
- Out-of-network
- Secondary networks

Each of these subsets was further delineated into four subgroups:

- Ancillary services
- Non-facility services
- Facility inpatient
- Facility outpatient

Report

The following report relied on the data and data fields provided by your administrator. We made no assumptions when necessary data fields were not provided.

Provider Discount Review
WETF - Delta Dental
Paid Dates 1/1/2019 through 12/31/2020

Total of All Claims

Claim Type	Allowed Amount	Provider Discount		Paid
Ancillary	$0	$0	0.0%	$0
Non-Facility	$129,974,112	$42,613,454	24.7%	$62,353,434
Facility Inpatient	$0	$0	0.0%	$0
Facility Outpatient	$0	$0	0.0%	$0
Total	**$129,974,112**	**$42,613,454**	**24.7%**	**$62,353,434**

In-Network

Claim Type	Allowed Amount	Provider Discount		Paid
Ancillary	$0	$0	0.0%	$0
Non-Facility	$128,990,055	$42,447,807	24.8%	$62,352,895
Facility Inpatient	$0	$0	0.0%	$0
Facility Outpatient	$0	$0	0.0%	$0
Total In-Network	**$128,990,055**	**$42,447,807**	**24.8%**	**$62,352,895**

% of Eligible Charge - 99.2% % Claim Frequency - 99.6%

Out of Network

Claim Type	Allowed Amount	Provider Discount		Paid
Ancillary	$0	$0	0.0%	$0
Non-Facility	$984,057	$165,647	14.4%	$539
Facility Inpatient	$0	$0	0.0%	$0
Facility Outpatient	$0	$0	0.0%	$0
Total Out of Network	**$984,057**	**$165,647**	**14.4%**	**$539**

% of Eligible Charge - 0.8% % Claim Frequency - 0.4%

Secondary

Claim Type	Allowed Amount	Provider Discount		Paid
Ancillary	$0	$0	0.0%	$0
Non-Facility	$0	$0	0.0%	$0
Facility Inpatient	$0	$0	0.0%	$0
Facility Outpatient	$0	$0	0.0%	$0
Total Secondary	**$0**	**$0**	**0.0%**	**$0**

% of Eligible Charge - 0.0% % Claim Frequency - 0.0%

**Paid claim totals exclude claims from members aged 65 and older.*

ETF's members had utilization of network or secondary network providers at 99.2% of all allowed charges and 99.6% of all claims.

CONCLUSION

We consider it a privilege to have worked for, and with, your staff and administrator. Our contract offers eight hours of post-audit time to help you develop an implementation plan should ETF desire additional assistance in that regard.

Thank you again for choosing CTI.

APPENDIX A – SAMPLE CONSTRUCTION AND WEIGHTING METHODOLOGY

Client: WETFDen21
Audit Period: January 01, 2019 - December 31, 2020

Claim Universe (as converted)

Stratum		Claim Count	Total Charge Amount	Total Paid Amount
<=250	1	315,626	$53,579,084	$35,830,322
<=500	2	133,394	$43,669,683	$24,373,037
>500	3	80,415	$117,871,658	$14,791,052
	Totals	529,435	$215,120,425	$74,994,410

Audit Stratification

Stratum		Audit Universe (# Claims)	Proportion (Weight by Count)	Sample
<=250	1	315,626	59.62%	60
<=500	2	133,394	25.20%	60
>500	3	80,415	15.19%	60
	Totals	529,435	100.00%	180

Audit Sample Overview

Category	Count	Paid Amount
Claims requested for audit	180	$28,314.27
Claims for which records not received	0	$0.00
Claims outside scope of audit	0	$0.00
Claims as entered included in audit sample	180	$28,314.27
Audit sample if all claims paid correctly	180	$28,254.27
Claims with inadequate documentation	0	$0.00
Total claim payments remaining in audit sample	180	$28,254.27

APPENDIX B – ADMINISTRATOR RESPONSE TO DRAFT REPORT

Random Sample

- **1077:** Delta Dental calculates COB based on the Allowable Expenses ($245) as defined below in the group's SPD screenshot. COB is not calculated based on the allowed amount ($185) listed on the claim line.

Definitions

The following definitions apply to this Coordination of Benefits provision:

"Allowable Expense" means a necessary, reasonable, and customary item of dental expense that is covered at least in part by one or more of the plans covering the person for whom the claim is made. When a plan provides benefits in the form of services, the reasonable cash value of each procedure provided shall be considered both an Allowable Expense and a benefit paid.

"Primary Plan/Secondary Plan": The Order of Benefit Determination Rules state whether this Plan is a primary Plan or secondary Plan as to another Plan covering the person. When this Plan is a secondary Plan, its benefits are determined after those of the other Plan and may be reduced because of the other Plan's benefits. When Delta Dental is the secondary Plan, Delta Dental may reduce the benefits under its Plan only when the sum of the following exceeds the total allowable expense in a Claim Determination Period.

1. The benefits the secondary Plan would pay for allowable expenses in the absence of COB; plus
2. The benefits that would be payable under other applicable Plans for allowable expenses in the absence of COB, whether or not claim is made.

The amount by which the secondary Plan's benefits are reduced shall be used by the secondary Plan to pay allowable expenses not otherwise paid, which were incurred during the Claim Determination Period by the person for whom the claim is made. As each claim is submitted, the secondary Plan determines its obligation to pay for allowable expenses based on all claims which were submitted up to that point in time during the Claim Determination Period.

Targeted Sample

- **Questionnaire ID 18:** D0277 was listed as a covered service when UDB plan was originally set up. See screenshot below from It's Your Choice 2016 Certificate of Coverage. Delta Dental recommends removing "limited to a set of 4 films" from SPD language.

Bitewing Films - limited to two sets per year.

- D0270 Bitewing single radiographic image.
- D0272 Bitewings two radiographic images.
- D0273 Bitewings three radiographic images.
- D0274 Bitewings four radiographic images.
- D0277 Vertical bitewings 7 to 8 radiographic images.

http://etf.wi.gov/members/IYC2016/et-2107udb.asp

- **Questionnaire ID 19:** D0277 was listed as a covered service when UDB plan was originally set up. See screenshot in Questionnaire ID 18 response from It's Your Choice 2016 Certificate of Coverage. Delta Dental recommends removing "limited to a set of 4 films" from SPD language.

- **Questionnaire ID 23:** This service is a benefit under the plan, but an alternate amalgam filling benefit should have been applied to posterior tooth when adjustment was keyed. The correct payment should have been $174 with the patient being held liable for the $50 difference between the composite and amalgam filling material. Training has been provided to the claim adjuster.

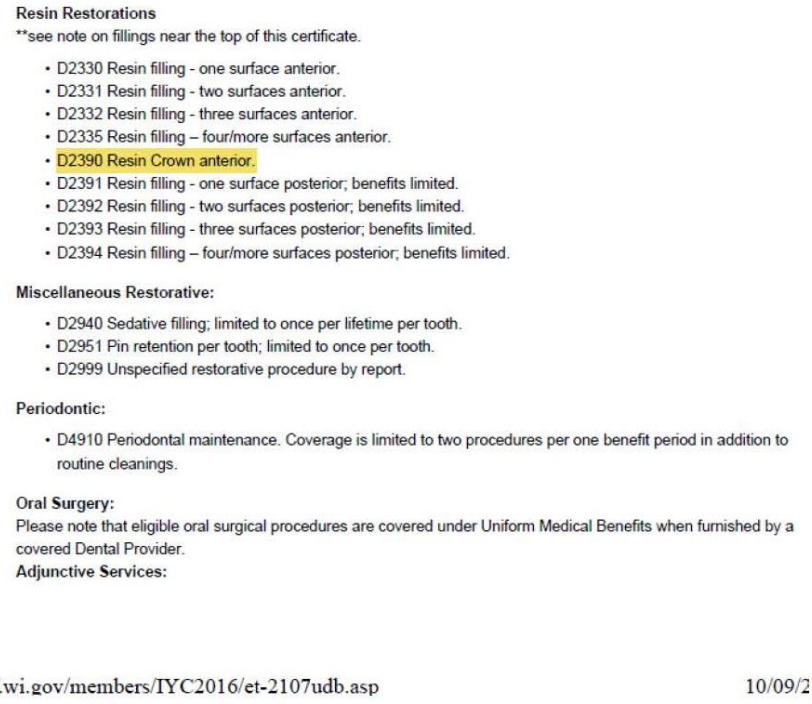
  Original claim was auto adjudicated. The adjusted claim was manually maintained by a Customer Experience Specialist.

Targeted Sample Cont'd

- **Questionnaire ID 24:** This service is a benefit under the plan, but an alternate amalgam filling benefit should have been applied to posterior tooth when claim processed. The correct payment should have been $138 with the patient being held liable for the $46 difference between the composite and amalgam filling material.

  This claim was manually moved from another Delta Dental plan that does cover posterior composite fillings to the UDB plan to apply correct COB order. Process directions for the Customer Experience Specialist have been updated to add the correct alternate amalgam benefit in the rare event claims fall under this scenario.

- **Questionnaire ID 25:** Code D2390 is billed when a form placed on a tooth is filled with composite resin then removed once the resin bonds directly to the tooth in the shape of a crown. The ADA considers this a direct resin-based composite restoration procedure. Crowns listed in item 16 under the exclusions section refers to covers or "caps" fabricated and placed over the tooth to restore. D2390 was listed as a covered service when UDB plan was originally set up. See screenshot below from It's Your Choice 2016 Certificate of Coverage.



Resin Restorations
**see note on fillings near the top of this certificate.

- D2330 Resin filling - one surface anterior.
- D2331 Resin filling - two surfaces anterior.
- D2332 Resin filling - three surfaces anterior.
- D2335 Resin filling – four/more surfaces anterior.
- D2390 Resin Crown anterior.
- D2391 Resin filling - one surface posterior; benefits limited.
- D2392 Resin filling - two surfaces posterior; benefits limited.
- D2393 Resin filling - three surfaces posterior; benefits limited.
- D2394 Resin filling – four/more surfaces posterior; benefits limited.

Miscellaneous Restorative:

- D2940 Sedative filling; limited to once per lifetime per tooth.
- D2951 Pin retention per tooth; limited to once per tooth.
- D2999 Unspecified restorative procedure by report.

Periodontic:

- D4910 Periodontal maintenance. Coverage is limited to two procedures per one benefit period in addition to routine cleanings.

Oral Surgery:
Please note that eligible oral surgical procedures are covered under Uniform Medical Benefits when furnished by a covered Dental Provider.
Adjunctive Services:

http://etf.wi.gov/members/IYC2016/et-2107udb.asp 10/09/2

- **Questionnaire ID 26:** Code D2390 is billed when a form placed on a tooth is filled with composite resin then removed once the resin bonds directly to the tooth in the shape of a crown. The ADA considers this a direct resin-based composite restoration procedure. Crowns listed in item 16 under the exclusions section refers to covers or "caps" fabricated and placed over the tooth to restore. D2390 was listed as a covered service when UDB plan was originally set up. See screenshot in Questionnaire ID 25 response from It's Your Choice 2016 Certificate of Coverage.

- **Questionnaire ID 27:** This service is a benefit under the plan, but an alternate amalgam filling benefit should have been applied to posterior tooth when adjustment was originally keyed 1/29/2020. Adjustment was re-keyed on 2/19/2020 with the patient being held liable for the $66 difference between the composite and amalgam filling material. Training has been provided to the claim adjuster.

  Original claim was auto adjudicated. The adjusted claim was manually maintained by a Customer Experience Specialist

Targeted Sample Cont'd

- **Questionnaire ID 28:** This service is a benefit under the plan, but an alternate amalgam filling benefit should have been applied to posterior tooth when claim processed. The correct payment should have been $95 with the patient being held liable for the $44 difference between the composite and amalgam filling material.

  This claim was manually moved from another Delta Dental plan that does cover posterior composite fillings to the UDB plan to apply correct COB order. Process directions for the Customer Experience Specialist have been updated to add the correct alternate amalgam benefit in the rare event claims fall under this scenario.

- **Questionnaire ID 30:** D9999 is set up as a covered service per It's Your Choice 2016 Certificate of Coverage. The claim was originally denied with reference code 66. Claim was adjusted upon receipt of COB information. D9999 claim line was adjusted and payment issued in error. Training has been provided to the claim adjuster.

  Original claim was auto adjudicated. The adjusted claim was manually maintained by a Customer Experience Specialist.

CLAIM TECHNOLOGIES INCORPORATED

100 Court Avenue – Suite 306 • Des Moines, IA 50309

(515) 244-7322 • claimtechnologies.com

October 20, 2021

Comprehensive Claim Administration Audit

WORK PAPERS

by Audit Component

Wisconsin Department of Employee Trust Funds Medical Plan

Administered by Delta Dental of Wisconsin

Audit Period: January 1, 2019 through December 31, 2020

Presented by

CLAIM TECHNOLOGIES INCORPORATED

TABLE OF CONTENTS

RANDOM SAMPLE AUDIT – OBSERVATION RESPONSE FORMS

AUDIT OBSERVATION / RESPONSE FORM

Client: WETFDen21 Run Date: 8/3/2021 11:00:14 AM

Audit Period: 1/1/2019 - 12/31/2020 Claim No: 1-8364-502-91O

Audit No: 1077 Employee Relation: S

Auditor: Dave Neal Conclusion Date: 08/03/2021

OBSERVATION 1 **TO:**

A. Page 13 of the SPD states "benefits of this Plan may be reduced under this paragraph so that the total benefits paid or provided by all Plans during a Claim Determination Period are not more than the total Allowable Expenses". The Delta allowed amount is $185.00 and the other insurance paid $108.00, leaving $77.00 payable. $137.00 was paid. An adjudication error is cited with an overpayment of $60.00.

Was claim auto or manually adjudicated?

RESPONSE 1

A. Disagree. As the secondary plan, Delta Dental's system determines the balance remaining after the primary carrier's payment and the amount Delta Dental could pay. If the amount Delta Dental could pay is less than or equal to the balance, Delta Dental will benefit the full amount that can be paid under the plan. If the amount Delta Dental could pay is greater than the balance, Delta Dental will benefit only the balance remaining. Coordination of benefit payments between all plans cannot exceed 100% of the total charges.

The claim was auto adjudicated.

Draft response: Delta Dental calculates COB based on the Allowable Expenses ($245) as defined below in the group's SPD screenshot. COB is not calculated based on the allowed amount ($185) listed on the claim line.

CONCLUSION

A. An adjudication error with an overpayment of $60.00 remains. Page 13 of the SPD states "benefits of this Plan may be reduced under this paragraph so that the total benefits paid or provided by all Plans during a Claim Determination Period are not more than the total Allowable Expenses". The Delta allowed amount is $185.00 and the other insurance paid $108.00, leaving $77.00 payable. $137.00 was paid by Delta. Auto-adjudicated.

CTI notes that the allowed amount for code D0210, billed on the same claim, was processed using an approved and allowed amount of $130.00, which was paid in full by the other carrier. Delta did not make an additional payment for this service's fee adjust of $69.00 as it did for code D2393.

FOR CTI INTERNAL USE ONLY ☑ FinAccum IDOC Primary

OPEI FinPrimary

Code	Line No	Over/Under	ProvID	EEF	Error	Desc
FOP	1	$60.00		☑	FINANCE	Financial
OPEI				☑	ADJUD	COB Adjud
CS					INFO	COB Information
		$60.00				

ESAS – SUBSTANTIVE TESTING QUESTIONNAIRES

CLAIM TECHNOLOGIES INCORPORATED

Exclusion-Dental, BiteWing X-Rays

Substantive Testing Questionnaire

Questionnaire ID:	**18**
Client:	**Wisconsin Department of Employee Trust Funds**
Audit Period:	**1/1/2019-12/31/2020**

The above referenced individual was identified by ESAS® as having incurred claim payment(s) for conditions which are excluded under this Plan.

The claim(s) for the treatment in question are listed below. Please respond to the following:

1. How are claims for Dental, BiteWing X-Rays identified and investigated?

2. Provide the documentation that supports the payment of these claims.

3. At the time of claims processing, were the impacted claims auto adjudicated or manually adjudicated?

Administrator's Response

Bitewing x-rays are identified by the following CDT codes:
D0270 bitewing - single radiographic image
D0272 bitewings - two radiographic images
D0273 bitewings - three radiographic images
D0274 bitewings - four radiographic images
D0277 vertical bitewings - 7 to 8 radiographic images

Delta Dental of Wisconsin has a well-developed structure including systems and staff to ensure consistent, comprehensive claim review and reliable waste, fraud, and abuse monitoring.

Per the group's Summary Plan Description and certificate of coverage on the ETF website bitewing x-rays are a covered benefit. See screen shot.

Auto adjudicated

Draft response: D0277 was listed as a covered service when UDB plan was originally set up. See screenshot below from It's Your Choice 2016 Certificate of Coverage. Delta Dental recommends removing "limited to a set of 4 films" from SPD language.

Conclusion

Additional Observation. Page 8 of the Summary Plan Description (SPD) states coverage for bitewing x-rays once per benefit period; limited to a set of 4 films. Delta Dental's allowed coverage for code D0277, 7 to 8 radiographic images. WETF reported Delta Dental is paying the benefit as it was originally set-up at the plan's inception in 2016 and that Delta has been instructed to update the summary plan description to reflect its administration.

CLAIM TECHNOLOGIES INCORPORATED

Exclusion-Dental, BiteWing X-Rays

Substantive Testing Questionnaire

Questionnaire ID:	**19**
Client:	**Wisconsin Department of Employee Trust Funds**
Audit Period:	**1/1/2019-12/31/2020**

The above referenced individual was identified by ESAS® as having incurred claim payment(s) for conditions which are excluded under this Plan.

The claim(s) for the treatment in question are listed below. Please respond to the following:

1. How are claims for Dental, BiteWing X-Rays identified and investigated?

2. Provide the documentation that supports the payment of these claims.

3. At the time of claims processing, were the impacted claims auto adjudicated or manually adjudicated?

Administrator's Response

Bitewing x-rays are identified by the following CDT codes:
D0270 bitewing - single radiographic image
D0272 bitewings - two radiographic images
D0273 bitewings - three radiographic images
D0274 bitewings - four radiographic images
D0277 vertical bitewings - 7 to 8 radiographic images

Delta Dental of Wisconsin has a well-developed structure including systems and staff to ensure consistent, comprehensive claim review and reliable waste, fraud, and abuse monitoring.

Per the group's Summary Plan Description and certificate of coverage on the ETF website bitewing x-rays are a covered benefit. See screen shot.

Auto adjudicated

Draft response: D0277 was listed as a covered service when UDB plan was originally set up. See screenshot in Questionnaire ID 18 response from It's Your Choice 2016 Certificate of Coverage. Delta Dental recommends removing "limited to a set of 4 films" from SPD language.

Conclusion

Additional Observation. Page 8 of the Summary Plan Description (SPD) states coverage for bitewing x-rays once per benefit period; limited to a set of 4 films. Delta Dental's allowed coverage for code D0277, 7 to 8 radiographic images. WETF reported Delta Dental is paying the benefit as it was originally set-up at the plan's inception in 2016 and that Delta has been instructed to update the summary plan description to reflect its administration.

CLAIM TECHNOLOGIES INCORPORATED

Exclusion-Dental, Restorations

Substantive Testing Questionnaire

Questionnaire ID:	**23**
Client:	**Wisconsin Department of Employee Trust Funds**
Audit Period:	**1/1/2019-12/31/2020**

The above referenced individual was identified by ESAS® as having incurred claim payment(s) for conditions which are excluded under this Plan.

The claim(s) for the treatment in question are listed below. Please respond to the following:

1. How are claims for Dental, Restorations identified and investigated?

2. Provide the documentation that supports the payment of these claims.

3. At the time of claims processing, were the impacted claims auto adjudicated or manually adjudicated?

Administrator's Response

Restorations are identified by CDT codes. Delta Dental of Wisconsin has a well-developed structure including systems and staff to ensure consistent, comprehensive claim review and reliable waste, fraud, and abuse monitoring.

On 11/23/2020 the provider's office contacted Delta Dental to correct code from D2950 (core buildup, including any pins when required) to D2393 (resin-based composite - three surfaces, posterior). The claim was adjusted to allow benefit. Per the group's Summary Plan Description, restorations are a covered benefit. See screen shot.

Auto adjudicated

Draft response: This service is a benefit under the plan, but an alternate amalgam filling benefit should have been applied to posterior tooth when adjustment was keyed. The correct payment should have been $174 with the patient being held liable for the $50 difference between the composite and amalgam filling material. Training has been provided to the claim adjuster. Original claim was auto adjudicated. The adjusted claim was manually maintained by a Customer Experience Specialist.

Conclusion

A procedural deficiency and $50.00 overpayment identified. The plan allows resin-based composites on anterior (front) teeth only. Tooth 4, a posterior tooth, was treated.

100 COURT AVENUE, SUITE 306 – DES MOINES, IA 50309
Telephone: (515) 244-7322 • Fax: (515) 244-8650 • www.claimtechnologies.com

CLAIM TECHNOLOGIES INCORPORATED

Exclusion-Dental, Restorations

Substantive Testing Questionnaire

Questionnaire ID:	**24**
Client:	**Wisconsin Department of Employee Trust Funds**
Audit Period:	**1/1/2019-12/31/2020**

The above referenced individual was identified by ESAS® as having incurred claim payment(s) for conditions which are excluded under this Plan.

The claim(s) for the treatment in question are listed below. Please respond to the following:

1. How are claims for Dental, Restorations identified and investigated?

2. Provide the documentation that supports the payment of these claims.

3. At the time of claims processing, were the impacted claims auto adjudicated or manually adjudicated?

Administrator's Response

Restorations are identified by CDT codes. Delta Dental of Wisconsin has a well-developed structure including systems and staff to ensure consistent, comprehensive claim review and reliable waste, fraud, and abuse monitoring.

D2392 is a resin-based composite restoration. Per the group's Summary Plan Description, restorations are a covered benefit. See screen shot.

Auto adjudicated

Draft response: This service is a benefit under the plan, but an alternate amalgam filling benefit should have been applied to posterior tooth when claim processed. The correct payment should have been $138 with the patient being held liable for the $46 difference between the composite and amalgam filling material. This claim was manually moved from another Delta Dental plan that does cover posterior composite fillings to the UDB plan to apply correct COB order. Process directions for the Customer Experience Specialist have been updated to add the correct alternate amalgam benefit in the rare event claims fall under this scenario.

Conclusion

A procedural deficiency and $46.00 overpayment identified. The plan allows resin-based composites on anterior (front) teeth only. Tooth 13, a posterior tooth, was treated.

100 COURT AVENUE, SUITE 306 – DES MOINES, IA 50309
Telephone: (515) 244-7322 • Fax: (515) 244-8650 • www.claimtechnologies.com

CLAIM TECHNOLOGIES INCORPORATED

Exclusion-Dental, Restorations

Substantive Testing Questionnaire

Questionnaire ID:	**25**
Client:	**Wisconsin Department of Employee Trust Funds**
Audit Period:	**1/1/2019-12/31/2020**

The above referenced individual was identified by ESAS® as having incurred claim payment(s) for conditions which are excluded under this Plan.

The claim(s) for the treatment in question are listed below. Please respond to the following:

1. How are claims for Dental, Restorations identified and investigated?

2. Provide the documentation that supports the payment of these claims.

3. At the time of claims processing, were the impacted claims auto adjudicated or manually adjudicated?

Administrator's Response

Restorations are identified by CDT codes. Delta Dental of Wisconsin has a well-developed structure including systems and staff to ensure consistent, comprehensive claim review and reliable waste, fraud, and abuse monitoring.

D2390 is a resin-based composite crown, anterior restoration. Per the group's Summary Plan Description, restorations are a covered benefit. See screen shot.

Auto adjudicated

Draft response: Code D2390 is billed when a form placed on a tooth is filled with composite resin then removed once the resin bonds directly to the tooth in the shape of a crown. The ADA considers this a direct resin based composite restoration procedure. Crowns listed in item 16 under the exclusions section refers to covers or "caps" fabricated and placed over the tooth to restore. D2390 was listed as a covered service when UDB plan was originally set up. See screenshot below from It's Your Choice 2016 Certificate of Coverage.

Conclusion

A procedural deficiency and $801.00 overpayment identified. Per the exclusions section, item 16, Charges for treatment of, or services related to, crowns, inlays, onlays, fixed bridgework, partial or complete dentures, or implants are not covered.

CLAIM TECHNOLOGIES INCORPORATED

Exclusion-Dental, Restorations

Substantive Testing Questionnaire

Questionnaire ID:	**26**
Client:	**Wisconsin Department of Employee Trust Funds**
Audit Period:	**1/1/2019-12/31/2020**

The above referenced individual was identified by ESAS® as having incurred claim payment(s) for conditions which are excluded under this Plan.

The claim(s) for the treatment in question are listed below. Please respond to the following:

1. How are claims for Dental, Restorations identified and investigated?

2. Provide the documentation that supports the payment of these claims.

3. At the time of claims processing, were the impacted claims auto adjudicated or manually adjudicated?

Administrator's Response

Restorations are identified by CDT codes. Delta Dental of Wisconsin has a well-developed structure including systems and staff to ensure consistent, comprehensive claim review and reliable waste, fraud, and abuse monitoring.

D2390 is a resin-based composite crown, anterior restoration. Per the group's Summary Plan Description, restorations are a covered benefit. See screen shot.

Auto adjudicated

Draft response: Code D2390 is billed when a form placed on a tooth is filled with composite resin then removed once the resin bonds directly to the tooth in the shape of a crown. The ADA considers this a direct resin based composite restoration procedure. Crowns listed in item 16 under the exclusions section refers to covers or "caps" fabricated and placed over the tooth to restore. D2390 was listed as a covered service when UDB plan was originally set up. See screenshot in Questionnaire ID 25 response from It's Your Choice 2016 Certificate of Coverage.

Conclusion

A procedural deficiency and $359.00 overpayment identified. Per the exclusions section, item 16, Charges for treatment of, or services related to, crowns, inlays, onlays, fixed bridgework, partial or complete dentures, or implants are not covered.

100 COURT AVENUE, SUITE 306 – DES MOINES, IA 50309
Telephone: (515) 244-7322 • Fax: (515) 244-8650 • www.claimtechnologies.com

CLAIM TECHNOLOGIES INCORPORATED

Exclusion-Dental, Restorations

Substantive Testing Questionnaire

Questionnaire ID:	**27**
Client:	**Wisconsin Department of Employee Trust Funds**
Audit Period:	**1/1/2019-12/31/2020**

The above referenced individual was identified by ESAS® as having incurred claim payment(s) for conditions which are excluded under this Plan.

The claim(s) for the treatment in question are listed below. Please respond to the following:

1. How are claims for Dental, Restorations identified and investigated?

2. Provide the documentation that supports the payment of these claims.

3. At the time of claims processing, were the impacted claims auto adjudicated or manually adjudicated?

Administrator's Response

Restorations are identified by CDT codes. Delta Dental of Wisconsin has a well-developed structure including systems and staff to ensure consistent, comprehensive claim review and reliable waste, fraud, and abuse monitoring.

On 2/11/2020 the provider's office contacted Delta Dental with correct code D2393 (resin-based composite - three surfaces, posterior). The claim was adjusted to allow benefit. Per the group's Summary Plan Description, restorations are a covered benefit. See screen shot.

Auto adjudicated

Draft response: This service is a benefit under the plan, but an alternate amalgam filling benefit should have been applied to posterior tooth when adjustment was originally keyed 1/29/2020. Adjustment was re-keyed on 2/19/2020 with the patient being held liable for the $66 difference between the composite and amalgam filling material. Training has been provided to the claim adjuster. Original claim was auto adjudicated. The adjusted claim was manually maintained by a Customer Experience Specialist.

Conclusion

A procedural deficiency and $66.00 overpayment identified. The plan allows resin-based composites on anterior (front) teeth only. Tooth 14, a posterior tooth, was treated.

CLAIM TECHNOLOGIES INCORPORATED

Exclusion-Dental, Restorations

Substantive Testing Questionnaire

Questionnaire ID:	**28**
Client:	**Wisconsin Department of Employee Trust Funds**
Audit Period:	**1/1/2019-12/31/2020**

The above referenced individual was identified by ESAS® as having incurred claim payment(s) for conditions which are excluded under this Plan.

The claim(s) for the treatment in question are listed below. Please respond to the following:

1. How are claims for Dental, Restorations identified and investigated?

2. Provide the documentation that supports the payment of these claims.

3. At the time of claims processing, were the impacted claims auto adjudicated or manually adjudicated?

Administrator's Response

Restorations are identified by CDT codes. Delta Dental of Wisconsin has a well-developed structure including systems and staff to ensure consistent, comprehensive claim review and reliable waste, fraud, and abuse monitoring.

D2391 is a resin-based composite restoration. Per the group's Summary Plan Description, restorations are a covered benefit. See screen shot.

Auto adjudicated

Draft response: This service is a benefit under the plan, but an alternate amalgam filling benefit should have been applied to posterior tooth when claim processed. The correct payment should have been $95 with the patient being held liable for the $44 difference between the composite and amalgam filling material. This claim was manually moved from another Delta Dental plan that does cover posterior composite fillings to the UDB plan to apply correct COB order. Process directions for the Customer Experience Specialist have been updated to add the correct alternate amalgam benefit in the rare event claims fall under this scenario.

Conclusion

A procedural deficiency and $44.00 overpayment identified. The plan allows resin-based composites on anterior (front) teeth only. Tooth 18, a posterior tooth, was treated.

100 COURT AVENUE, SUITE 306 – DES MOINES, IA 50309
Telephone: (515) 244-7322 • Fax: (515) 244-8650 • www.claimtechnologies.com

CLAIM TECHNOLOGIES INCORPORATED

Exclusion-Dental, Miscellaneous Services

Substantive Testing Questionnaire

Questionnaire ID:	**30**
Client:	**Wisconsin Department of Employee Trust Funds**
Audit Period:	**1/1/2019-12/31/2020**

The above referenced individual was identified by ESAS® as having incurred claim payment(s) for conditions which are excluded under this Plan.

The claim(s) for the treatment in question are listed below. Please respond to the following:

1. How are claims for Dental, Miscellaneous Services identified and investigated?

2. Provide the documentation that supports the payment of these claims.

3. At the time of claims processing, were the impacted claims auto adjudicated or manually adjudicated?

Administrator's Response

Miscellaneous Services are identified by CDT codes. Delta Dental of Wisconsin has a well-developed structure including systems and staff to ensure consistent, comprehensive claim review and reliable waste, fraud, and abuse monitoring.

D9999 (unspecified adjunctive procedure, by report) is a covered adjunctive service included in original benefit set up. This service is not specifically listed in the group's Summary Plan Description. See screen shot from It's Your Choice 2016 Certificate of Coverage.

Auto adjudicated

Draft response: D9999 is set up as a covered service per It's Your Choice 2016 Certificate of Coverage. The claim was originally denied with reference code 66. Claim was adjusted upon receipt of COB information. D9999 claim line was adjusted and payment issued in error. Training has been provided to the claim adjuster. Original claim was auto adjudicated. The adjusted claim was manually maintained by a Customer Experience Specialist.

Conclusion

A procedural deficiency and $29.22 overpayment identified. Per the exclusions section, item 18, procedures or benefits not specifically provided under this dental Plan or excluded by Delta Dental rules and regulations, including Delta processing policies, which may change periodically and are printed on the Explanation of Benefits and Explanation of Payment forms are not covered.

CLAIM TECHNOLOGIES INCORPORATED

100 Court Avenue – Suite 306 • Des Moines, IA 50309

Telephone: (515) 244-7322 • Fax: (515) 244-8650 • Website: claimtechnologies.com

STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

October 22, 2021

Re: Member Name
Member ID: xxxx-xxxx

Subscriber Name
Address 1
Address 2
City, St ZIP

Dear Subscriber,

The Department of Employee Trust Funds was notified that your dental insurance coverage was terminated on Month DD, YYYY. $x,xxx.xx of dental claims were paid after your coverage ended. Due to state law (Wis. Stat. §40.08 (7)), you must repay this amount to ETF.

The next page details the claims that you must repay. Your options for repayment are:

1. Repay the dental claims costs by personal check, money order or online at etf.wi.gov/my-info/pay-my-invoice. You will receive an invoice shortly after this letter with payment options and instructions.

2. Select a monthly deduction or make a monthly payment arrangement through ETF's collections unit until the dental claim costs are paid in full.

If you do not make any payment within 30 days of this letter, and you currently receive a monthly benefit, ETF will automatically begin a monthly deduction from your monthly benefit to recover the overpayment.

Any unpaid balance after 180 days from the date of this letter begins to accrue interest at the rate of 7% per year. Please note, this is the current assumed interest rate and is subject to change. If you do not make a payment or are untimely with payments, ETF may pursue other recovery options.

For questions or to discuss repayment options, please contact ETF.

Sincerely,

Department of Employee Trust Funds
1-877-533-5020 ext. 46637 • etf.wi.gov
overpayments@etf.wi.gov

Overpaid Claims Information
HIPPA law restricts what kind of health care, prescription, or dental care information ETF can provide to you. If you need more detailed information about the overpaid dental claims, please contact Delta Dental of Wisconsin:

- Web: www.deltadentalwi.com/state-of-wi
- Email: etfcustomerservice@deltadentalwi.com
- Phone: 1-844-337-8383

Any unpaid balance after 180 days from the date of this letter begins to accrue interest at the rate of 7.2% per year. Please note, this is the current assumed interest rate and is subject to change. You may wish to talk to your tax advisor to determine any tax implications your repayment of claims may have for you.

Claim number	Amount