Supplemental Dental Benefit Change

Item 8- Group Insurance Board

Tom Rasmussen

Life Insurance and Dental Insurance Program Manager Office of Strategic Health Policy





• The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) consider and approve one of the three proposed supplemental dental benefit change options for dental crowns effective January 1, 2024.



Background

Delta Dental administers ETF's employee pay all Supplemental dental plan

ETF offers the supplemental dental plan to:

- All State active employees
- All retirees (State and Local)
- Local employers have option to offer

Board approved realignment strategy in November 2017



Plan Designs

| Benefit | Preventive Plan | Select Plan | Select Plus Plan |
|---|--------------------|----------------|------------------|
| Annual deductible | None | \$100/person | \$25/person |
| Annual benefit maximum | \$1,000/person | \$1,000/person | \$2,500/person |
| Waiting period | None | None | None |
| Routine evaluations ,cleanings, sealants, bitewing and panoramic x-rays, fluoride treatments, pulp vitality tests | 100% | No coverage | No coverage |
| Fillings (Amalgam) | 100% | No coverage | No coverage |
| Anesthesia (general) | 80% | 50% | 80% |
| Emergency pain relief | 80% | No coverage | No coverage |
| Periodontal maintenance | 100% | No coverage | No coverage |
| Crowns, bridges, dentures, implants | No coverage | 50% | 60% |
| Surgical extractions, root canals, periodontics, oral surgery | No coverage | 50% | 80% |
| Non-surgical extractions | 90% | No coverage | No coverage |
| Orthodontics coverage | 50% (Under age 19) | No coverage | 50% (Any age) |
| Orthodontics lifetime maximum | \$1,500 | No coverage | \$1,500 |

(Ref. GIB|02.16.22|Item 8, Page 2)

Supplemental Dental Benefit Change – February 7, 2022



4

Benefit Design Change Consideration

ETF received a legislative request to examine increasing the benefit for crowns to 100%

Crowns are currently paid at 50% or 60%

(Ref. GIB|02.16.22|Item 8, Page 3)



Utilization

| Plan | Service Year | Total Crowns | Number of individuals with Crown Claim | Percent of Individuals with Crown Claim |
|------------------|--------------|--------------|--|---|
| Select Plan | 2019 | 1,738 | 1,478 | 9.3% |
| Select Plan | 2020 | 1,620 | 1,407 | 7.5% |
| Select Plan | 2021 | 1,973 | 1,649 | 8.3% |
| Select Plus Plan | 2019 | 9,426 | 7,185 | 12.3% |
| Select Plus Plan | 2020 | 8,890 | 6,802 | 10.1% |
| Select Plus Plan | 2021 | 10,436 | 7,902 | 11.0% |



6

Other States' Offerings

1 state offers 100% coverage for crowns

8 states offer richer crown benefit

8 states offer comparable crown benefit

31 states offer less rich crown benefits

GIB|02.16.22|Item 8, Page 3 and Attachment A)



Three Options:

1. Increase crown benefit for existing Select Plus Plan to 100%

2. Create a 4th plan design offering crowns, bridges, dentures and root canals at 100% coverage

3. Make no change

(GIB|02.16.22|Item 8, Page 3-4)



Option 1:

Increase crown benefit on the Select Plus Plan to 100% maintain current coverage for bridges, dentures and implants at 60%

Advantage

Maintains the same number of dental offerings

Disadvantages

- A 29% premium increase
- Majority of members would experience premium increase without utilizing the benefit
- Potentially cause members to cancel supplemental dental coverage



Option 2:

Add a 4th supplemental dental plan that includes 100% benefit for crowns, bridges, dentures and implants

Advantages

- Offers members an option with more robust coverage levels
- Maintains freedom of choice between the supplemental plan offerings
- Increased premium would be paid for by members who choose to enroll in the plan
- Maintains consistent coverage level for all plans

Disadvantages

- The new plan design would have a premium 36% higher than the current Select Plus Plan
- May lead to member and employer confusion
- IT resources (ETF and Employers) allocation would be necessary to implement
- Diverts from Board decision to streamline dental plans



Option 3:

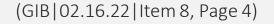
Maintain the current level of coverage and make no change

Advantages

- Maintains freedom of choice
- Controls unexpected premium increase
- Coverage already exceeds what a majority of other states offer
- Members could purchase coverage they desire in the open market
- Does not cause any disruption to employers
- Not a benefit that has been highly requested

Disadvantage

• The level of coverage does not meet expectations of some members





RECOMMENDATION

ETF's recommendation is to approve Option 3:

Maintain the current level of coverage

✓ Consistent with Board's 2017 directive to streamline dental plans

✓ Prevents unexpected significant premium increase

✓ Utilization data doesn't support a change

 \checkmark Current coverage matches or exceeds what other states offer

✓ ETF has not received additional requests to change coverage





• The Department of Employee Trust Funds (ETF) requests the Group Insurance Board (Board) consider and approve one of the three proposed supplemental dental benefit change options for dental crowns effective January 1, 2024.



Questions?

Inank you









