

Comprehensive Claim Administration Audit

SPECIFIC FINDINGS REPORT

Wisconsin Department of Employee Trust Funds Dental Plans

Administered by Delta Dental of Wisconsin

Audit Period: January 1, 2021 through December 31, 2022

Presented to

Wisconsin Department of Employee Trust Funds

September 11, 2023

Revised 9/26/23



**CLAIM TECHNOLOGIES
INCORPORATED**

PART OF THE BROWN & BROWN TEAM

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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) plans. 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 claim administrator. A copy of Delta Dental’s response to these findings is in Appendix B of this report.

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.

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 documentation 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 gain reasonable assurance that claims were adjudicated consistently and accurately in relationship to the policy provisions and administrative agreement between ETF and Delta Dental.

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 plans 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 plans for the period of January 1, 2021 through December 31, 2022. The population of claims and amount paid during that period were:

Total Paid Amount	\$116,702,126
Total Number of Claims Paid/Denied/Adjusted	830,638

The audit included the following components:

1. Operational Review with Performance Guarantee Review

- 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
- Identify missing provisions, ambiguities, and inconsistencies
- Administrative services agreement

3. 100% Electronic Screening with 30 Targeted Samples

- Systematic analysis of 100% of paid claims
- Problem identification and quantification
- Eligibility verification

4. Random Sample Audit of 170 Claims

- Statistical confidence at 95% +/- 3%
- Key Indicator performance levels
- Benchmarking
- Identify and prioritize problems

5. Focused Audit of 10 Grievance Claims

OPERATIONAL REVIEW WITH PERFORMANCE GUARANTEE 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 plans.

Scope

The scope of the Operational Review included:

- Claim administrator information
 - Insurance and bonding
 - Conflicts of interest
 - Financial reporting
 - Business continuity planning
 - Claim payment system and coding protocols
 - Data and system security
- Claim funding:
 - Claim funding mechanism
 - Check processing and security
 - Large claim payment process
- Claim adjudication, customer service, and eligibility maintenance procedures:
 - Exception claim processing
 - Eligibility maintenance and investigation
 - Overpayment recovery
 - Network utilization
 - 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 or Systems and Organization Controls (SOC) audit of a service administrator. We modified that tool to elicit information specific to the administration of your plans.

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 plans. This allowed us to conduct the audit more effectively.

CTI also reviewed self-reported performance guarantees by requesting underlying detail and source data from Delta Dental to validate the reasonableness and accuracy of its internal calculations.

Findings

We observed the following:

- Delta Dental required all new hires to disclose felony convictions involving dishonesty or breach of trust prior to their start date. Employees were required to sign agreements that restricted them from disclosing ETF members' confidential information.
- Delta Dental indicated it had been audited for compliance with the standards of the American Institute of Certified Public Accountants (AICPA) through the issuance of a System and Organization Controls for Service Organizations (SOC 2®) report, which reports on controls at a service organization. Under SOC reporting, the administrator was required to provide a description of its system, which the service auditor validated. CTI was given a copy of both the October 1, 2020 through September 30, 2021 and the October 1, 2021 through September 30, 2022 audit report prepared by Delta Dental of Wisconsin, Inc.'s external auditor, Ernst & Young LLP. No exceptions or deviations were noted in the report.
- Delta Dental used its proprietary claims processing software system, the Advantech Benefit Administration System, which runs on an IBM System i platform.
- Delta Dental had a business continuity program that mitigated risks of system availability, unforeseen events such as natural disasters, and cyber security/data breaches. Servers were kept at a Tier 4 data center facility. The data center facility had four different connections to the power grid, was built to withstand natural disasters, provided flexibility to move telecom or internet carriers, and provided monitored heating and cooling of the facility and 24/7 guard presence. In the event of a catastrophic loss at the Tier 4 data center facility, back-ups could be restored from anywhere by accessing the information from the cloud. Testing of the system was completed annually at a minimum.
- Delta Dental indicated overpayments were credited to the ETF's claim fund during its weekly check run. At the end of each month, an itemized report summarizing claim payment activity was generated recapping all monthly activity. Delta Dental sent a refund notice to the dental office and a copy to the member. If a refund check payable to the ETF was received, Delta Dental would contact the dental office to have the check reissued payable to Delta Dental.
- Delta Dental's systems required secure logins, passwords, and system authorization. It also used separation of duties and limited the access to eligibility maintenance, provider maintenance, and claim adjudication tasks based on role. Authorization was also required to override system edits and limitations.
- Delta Dental issued regularly scheduled bulk claim payments to in-network providers in which multiple member accounts were paid using a single check.
- Delta Dental had adequately documented training, workflow, procedures, and systems to provide consistently high levels of accuracy in the processing of claims and enrollment.
- Claims for ETF members were processed at Delta Dental's corporate headquarters in Stevens Point, Wisconsin. It used an integrated, paperless, claims-imaging and work-management system that images and stores claims and supporting documentation electronically, eliminating the need for paper records. If a claim did not include all requirements for payment or denial, it was routed for further consideration by a team member.

- Delta Dental relied on ETF to manage employee and dependent eligibility. Changes, additions, and terminations were sent to Delta Dental and daily updates were made.
- While it did not mention frequency, per Delta Dental, it received retro-termination eligibility files with dates for members who were no longer eligible for benefits. These claims were reviewed by Customer Experience Managers to determine if a refund was required. If so, Delta Dental sent a letter to the member requesting a refund. Upon receipt, the refund was directed to the Department.
- Delta Dental screened claims at point of entry to determine if a coordination of benefits (COB) opportunity existed. In addition, Delta Dental indicated that when it processed a claim on which other coverage existed, a code was entered into each family member's file to ensure that future claims would also be processed according to the COB order of benefit determination rules. Delta Dental did not pend claims in the absence of COB information; the claim was closed with an Explanation of Benefits (EOB) reference code that indicated the required information. Then, upon receipt of the missing information, the original claim was re-adjudicated.
- Delta Dental provided a copy of its Coordination of Benefits Analysis by Year Report that showed COB savings for the ETF of \$5,292,967 in calendar year 2021 and \$4,890,291 in calendar year 2022. This represented 3.1% and 2.8% of submitted charges, respectively.
- 90% of Delta Dental claims were submitted electronically and 91% auto-adjudicated without human intervention before payment or denial.
- Delta Dental had no minimum amount below which recovery of overpayments was attempted. Overpayments to participating dentists were requested for repayment or withheld from future checks. It did not use any vendors to assist with overpayment recovery.
- While Delta Dental indicated it tracked the reasons for refunds of overpayments, it did not provide an overpayment refund report. Per Delta Dental anytime an overpayment was identified the claim was adjusted, and a credit was applied to the ETF's weekly claims invoice.
- Delta Dental had a dedicated staff monitoring providers for fraud, waste, and abuse. In addition, it used the Provider Utilization & Systematic Evaluation tool (PULSE) to identify providers who submitted claim data reflecting high use within select procedure categories identified as high-risk. Claims were also reviewed by practicing dentists hired as dental consultants to ensure treatment provided met the ETF's benefit criteria. Finally, a hosted fraud and abuse tool, maintained by P&R Dental Strategies, was used to assist in identifying providers with billing and practice patterns that fall outside of statistical norms. When requested, Delta Dental was also available to assist federal prosecutors by providing testimony in federal court.
- Delta Dental indicated its credentialing vendor, VerifPoint, performed monitoring of the Office of Inspector General's List of Excluded Individuals and Entities (OIG LEIE) and the State of Wisconsin Department of Safety and Professional Services Reports of Decisions.
- CTI screened 100% of the ETF's claims against the Office of the Inspector General's List of Excluded Individuals and Entities (OIG's LEIE) and identified two in-network sanctioned providers that were paid a total of \$4,406 for 28 claims during the audit period.

- The following is a breakdown of cases investigated by Delta Dental’s special investigation unit (SIU) during the audit period.

January 1, 2021 – December 31, 2022	Total
Cases Opened	3
Cases Closed	37
Cases Referred to Licensing Boards	88
Cases Referred to Law Enforcement	0
Civil Proceedings/Criminal Prosecutions	0

- Delta Dental provided copies of its 2021 and 2022 PPO Usage and Fee Savings report for the ETF that showed the following savings resulting from member use of its in-network dentists.

PPO DENTISTS	Preventive and Diagnostic		Basic		Total	
	2021	2022	2021	2022	2021	2022
Number of Services	521,784	525,320	64,289	63,245	586,073	588,565
Share of Total Services	69.9%	70.1%	66.3%	66.6%	69.4%	69.7%
Submitted Amount	\$40,210,317	\$41,548,734	\$14,844,122	\$15,059,392	\$55,054,439	\$56,608,126
Approved Amount	\$28,034,567	\$28,091,221	\$9,930,968	\$9,749,400	\$37,965,535	\$37,840,621
Fee Savings	30.3%	32.4%	33.1%	35.3%	31.0%	33.2%
PREMIER DENTISTS	2021	2022	2021	2022	2021	2022
Number of Services	223,355	222,154	32,397	31,399	255,752	253,553
Share of Total Services	29.9%	29.6%	33.4%	33.1%	30.3%	30.0%
Submitted Amount	16,884,381	\$17,517,848	\$7,268,423	\$7,322,460	\$24,152,805	\$24,840,308
Approved Amount	\$12,910,909	\$12,827,675	\$5,532,509	\$5,349,918	\$18,443,418	\$18,177,593
Fee Savings	23.5%	26.8%	23.9%	26.9%	23.6%	26.8%

- Delta Dental required employees to undergo HIPAA training annually. Training was provided virtually via computer-based training. There were no breaches triggering notification during the audit period.

Performance Guarantee Review

Delta Dental measured each performance guarantee category and subcategory specific to the ETF with the exception of claim quality (including financial and claim processing accuracy), claim timeliness, and website availability. These categories/subcategories were not ETF-specific, but represented results achieved for all Delta Dental clients on a global basis.

CTI notes each of the guaranteed subcategories, whether ETF-specific or global, carried a risk of 1% of the quarterly administrative fee except for Network Utilization and Claim Cost which each carried a per employee per month (PEPM) risk.

Please note that all performance results shown under the **File Transfer, Enrollment/Disenrollment, and ID Cards, etc.** category for 2021 are shown as not applicable (NA) as there was no guarantee in place for these standards/measures based on the documentation provided by Delta Dental for calendar year 2021.

Delta Dental's Service Guarantees			
Standard	Measure	Threshold	Results
File Transfer, Enrollment/Disenrollment, and ID Cards, etc.			
Inquiry from ETF staff on behalf of another agency	Acknowledge within 1 business days	95%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
	Complete response within 5 business days	95%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
Telephone access for members	Available 7:30am-5pm Monday-Thursday, 7:30am-4:30pm Friday, except legal State holidays and mutually agreed upon yearly Contractor Holiday Schedule	98%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
Dept. enrollment (File transfer)	Upload enrollment files successfully, as scheduled	99%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
Department enrollment	Open enrollment – complete enrollment by February 1 each year.	98%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
	New hire or change in eligibility – within 10 business days of receipt of completed paperwork	98%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
Census file accuracy	Reconcile to Department payroll records within five (5) Business Days of receipt.	99%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
ID cards to member	Open Enrollment: Provide ID cards to Members as soon as possible, preferably by January 1 of each year, but no later than February 1 of each year (the threshold applies to the February 1 date)	98%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
	New hire or life event changes: within 10 business days of processing enrollment or change	98%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
Disenrollment	Processed within five (5) business days of receipt	98%	Q1 – Q4 2021 NA Q1 – Q4 2022 Met
Claim Quality			
Financial payment accuracy	Accuracy of paid benefit dollars	> 99.0%	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Claim processing accuracy	Incidence of claims processed without any error	> 97.0%	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Claims Timeliness (turnaround time – TAT)			
Turnaround time	Timeliness of claims processing 14 calendar days	> 90%	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
	30 calendar days	> 99%	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Customer Service			
Call answered rate	Timeliness of customer service call answer	< 35 seconds	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Call abandonment rate	The percentage of calls that are abandoned before answer	Abandoned phone call rate is at 3% or less.	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
First call resolution		Service issues resolved on first phone call 98% of the time.	Q1 – Q4 2021 Met Q1 – Q4 2022 Met

Delta Dental's Service Guarantees			
Standard	Measure	Threshold	Results
Response to written inquiry		Response to written communication averages 3 Business Days or less.	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Quality assurance review		At least 5% of calls are reviewed for accuracy and quality. This must be completed on quarterly basis and reported to the State of Wisconsin.	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Member Satisfaction			
Member satisfaction	(Phone Call)	> 80%	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Member Complaint Rate			
Member complaint rate	(Written Correspondence)	< 2% of members file complaints	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Response to Formal Complaint Rate			
Response to formal complaint rate	Average time to respond to complaints	One (1) Business Day or less	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
	Proposed resolution to be shared with ETF	Three (3) Business Days	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Website Availability			
Web portal availability		Delta Dental's website cannot be unavailable for full participant access for more than 6 non-peak hours per month.	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Network Utilization			
Network Utilization	The guarantee will apply to all ETF participants. The measurement tool will be the ratio of in-network paid claim dollars over total paid claim dollars for the calendar year.	> 94%	Q1 – Q4 2021 Met Q1 – Q4 2022 Met
Claim Cost			
Claim Cost	Claim cost guarantee assumes benefit plan design outlined in current Uniform Dental Benefits. The claim cost guarantee is in effect only if there have been no material changes in number of covered employees, location and enrollment mix of subscribers. Material change is defined as plus or minus 10% of covered employees, new locations added to the plan, or a change in enrollment mix of plus or minus 5%. Reported quarterly; assessed based on full calendar year experience.	Year 1: \$54.70 Year 2: \$55.25	Q1 – Q4 2021 Met Q1 – Q4 2022 Met

Performance Guarantee Results

Based on the self-reported results provided by Delta Dental, it met all guarantees for both calendar years 2021 and 2022. CTI used the self-reported results for all Delta Dental clients on a global basis for Claim Quality categories Financial Accuracy and Claim Processing Accuracy to compare against the results of our Random Sample Audit. Based on this comparison, Delta Dental met and exceeded both the Financial Accuracy and Claim Processing Accuracy measures.

To assess the remaining self-reported results, CTI requested a description of the methodology Delta Dental used for calculation on each subcategory as well as reports and detail that demonstrated how each guarantee was calculated. This information would allow CTI to determine whether the guarantees were measured/calculated both reasonably and correctly.

Per Delta Dental's Account Manager assigned to the ETF, the reporting requested was not available. The Account Managers response stated, *"Many of the reports used to complete the service guarantees are stored for one year and then purged so we no longer have the reports available. Also, the reports are unable to be recreated because of moving to a new phone system partway through the reporting period, and because if we were to rerun the reports now, some of the report numbers would have changed due to claims runout, etc. which would now show different results than what the reporting showed when the service guarantees were reported to ETF."*

CTI recommends that as the EFT audits biannually, it should request that Delta Dental keep accurate and complete records and reports necessary to allow independent validation of performance guarantees for longer than 12 months.

PLAN DOCUMENTATION ANALYSIS

Objective

CTI's Plan Documentation Analysis evaluates the documents governing administration of ETF's dental plans 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 plans. This understanding allowed us to audit more effectively.

Scope

Our auditors evaluated the plan documents, descriptions, and any amendments along with the 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 process and pay 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

CTI notes that the ETF plan document is silent regarding occlusal guards. It is Delta Dental's standard process to deny coverage for procedures and services not specific under the Certificate of Coverage. Occlusal guards are neither listed as an excluded or covered expense.

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 any 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 plan data for the following high-level ESAS categories to identify potential amounts at risk:

- Duplicate payments to providers and/or employees
- Plan exclusions and limitations
- Copayments, Deductibles, and Out of Pocket
- Fraud, Waste, and Abuse
- Coordination of benefits

Methodology

We used ESAS to analyze claim payment and eligibility maintenance accuracy as well as any opportunities for system and process improvement. Using the data file provided by Delta Dental, we adjudicated 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** – We relied on the plan document provisions to set the parameters in ESAS.
- **Data Conversion** – We converted and validated the claim data and compared it to the control totals provided by ETF to check for reasonableness.
- **Electronic Screening** – We systematically adjudicated 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 at risk, 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 did not extrapolate results. We selected up to 30 cases and sent Delta Dental an individual questionnaire for each. Targeted samples helped verify if the claim data supported our finding and if Delta Dental's administration matched the plan's intent.
- **Audit of Administrator Response and Documentation** – We reviewed Delta Dental's response and any additional supporting information provided. Based on this information and any additional

analysis required, if false positives were identified, we removed the identified claims 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 by ETF, or its eligibility vendor 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 process improvement, recovery or savings opportunities exist. The administrator responses are copied directly from Delta Dental’s reply to the audit findings.

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.

Recommended Categories for Additional Testing					
Client: Wisconsin ETF					
Screening Period: January 1, 2021 through December 31, 2022					
Category	Lines	Claimants	Charge	Allowed	Paid/At Risk
Duplicate Payments					
Providers and/or Employees	1,018	246	\$200,647	\$161,458	\$21,904

Electronic screening of all service lines processed revealed the potential for incorrectly paid claims. After review of the response and additional information provided by the administrator, CTI confirmed the potential for process improvement. Further testing is recommended.

ESAS Findings Detail Report				
QID	Under/Over Paid	Delta Dental Response	CTI Conclusion	Manual or System
Duplicate Payments				
16	\$61.00	<p>The Advantech System is configured to process daily edits which confirm appropriate claim information, such as tooth number, service performed, etc. This edit prohibits duplicate claims and validates that the services on the claim are legitimate.</p> <p>The provider submitted two claims on the same submission date, which included the same procedure codes and the same date of service. The claims processing system denied both claims as duplicate services.</p> <p>The provider could have contacted Delta Dental of Wisconsin to confirm the correct procedure and billed fee. At that point, the claim could be adjusted to allow one of the services billed.</p>	Procedural deficiency and underpayment remain. The provider billed two claims for an examination with the same date of service. Because of this, Delta denied both charges and left as patient responsibility.	<input type="checkbox"/> M <input checked="" type="checkbox"/> S

Eligibility Verification

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
No Identification Match to Any Eligible Employee	\$1,016
Payments Prior to Effective Date	\$339
Payments During Gaps in Coverage	\$2,773
After Termination Date of Employee’s Coverage	\$16,677
Subtotal	\$20,805
Dependent Eligibility Screening Subcategory	Amount Paid
No Identification Match to Any Eligible Employee	\$2,699
Payments Prior to Effective Date	\$0
Payments During Gaps in Coverage	\$2,786
After Termination Date of Employee’s Coverage	\$17,465
Subtotal	\$22,950
COMBINED TOTAL*	\$43,755

**CTI notes that only .04% 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. This result is lower than the less than 0.5% CTI typically reports.*

In our experience, there are occasionally eligibility data issues that affect screening quality and reliability. CTI has 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.

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 170 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 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 via system-generated response forms regarding any errors or observations. 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 100 dental audits performed by CTI. The fourth quartile represents the 25 highest performing plans, and the first quartile represents the lowest 25. The Median is the point at which 50 plans audited were above, and 50 plans were below.

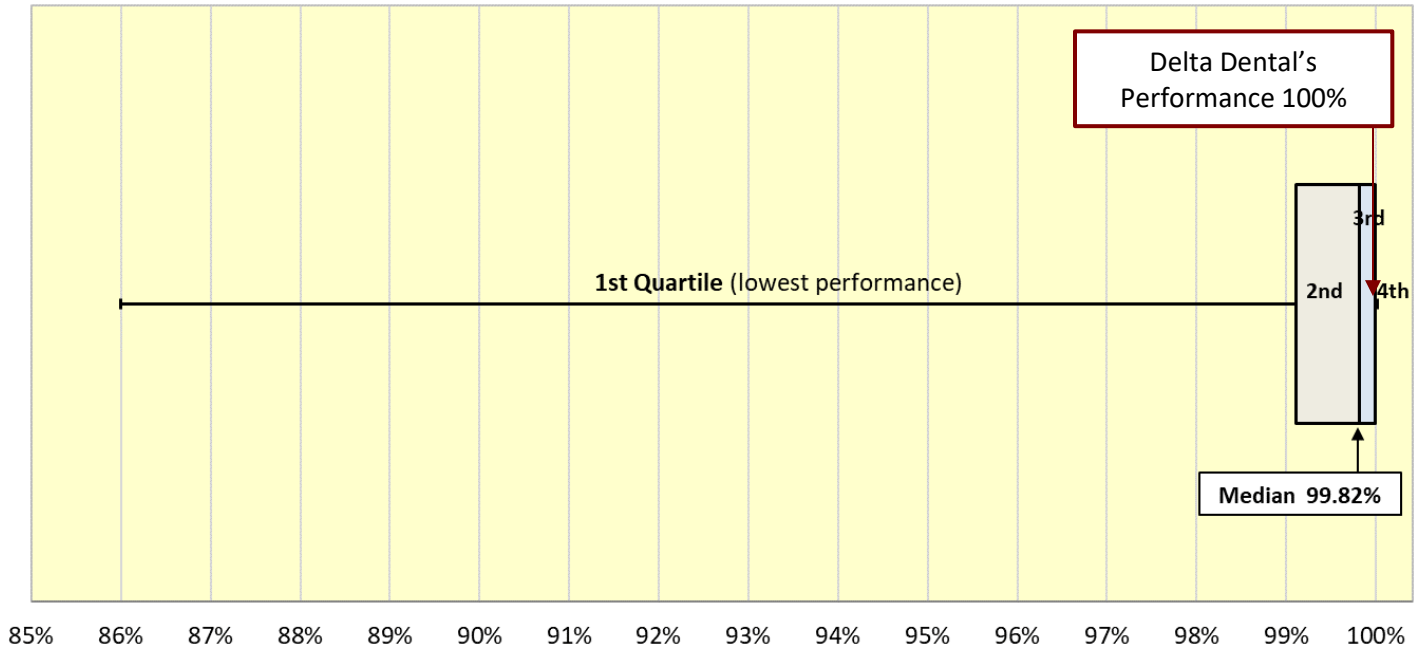
The following findings from the Random Sample Audit of Delta Dental are based on a sample of 170 claims randomly selected from the claim universe for the audit period of January 1, 2021 – December 31, 2022. As Delta Dental's performance guarantees were measured quarterly, and not over a two year period, these findings are indicative of Delta Dental's overall audit performance but are not directly correlated to its performance measures in its contract with the ETF.

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 no overpayments, for a combined variance of \$0.00. The correct payment total for the adequately documented claims in the audit sample should have been \$25,402.45.

The weighted Financial Accuracy rate was 100%.

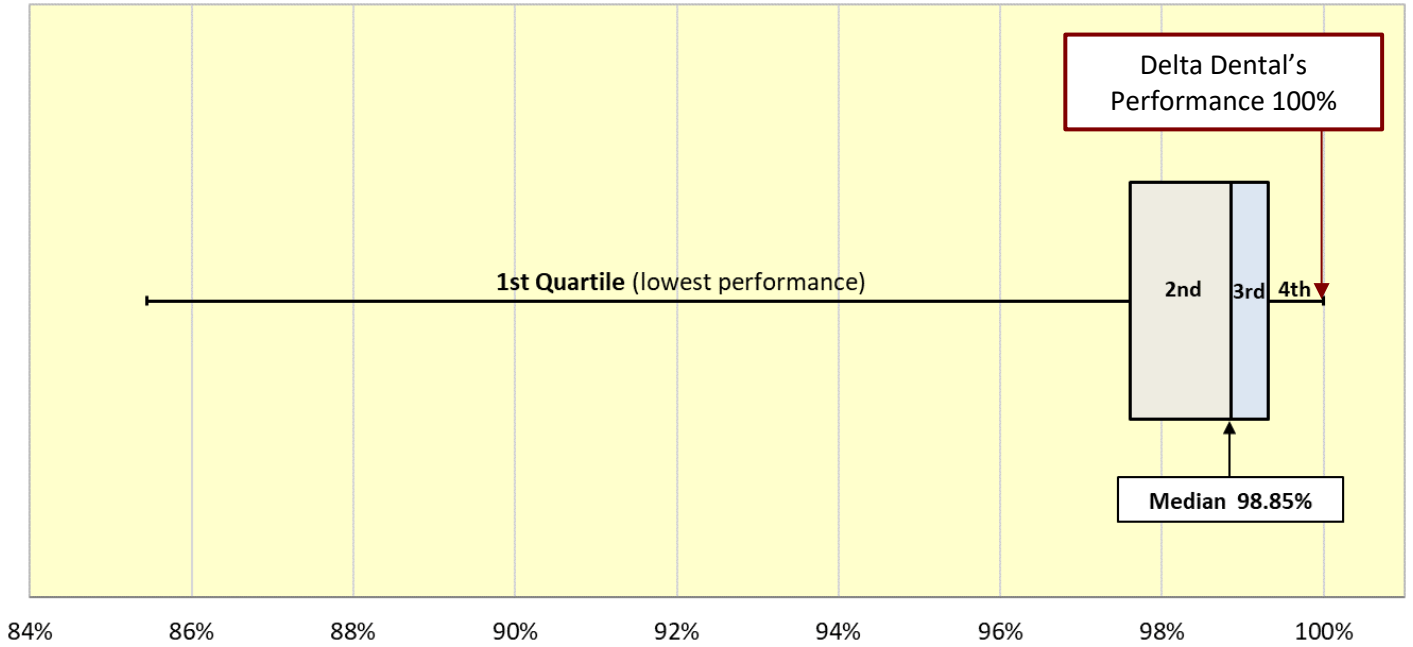


Accurate Payment Frequency

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

The audit sample revealed no incorrectly paid claims and 170 correctly paid claims. Note CTI only uses adequately documented claims for this calculation.

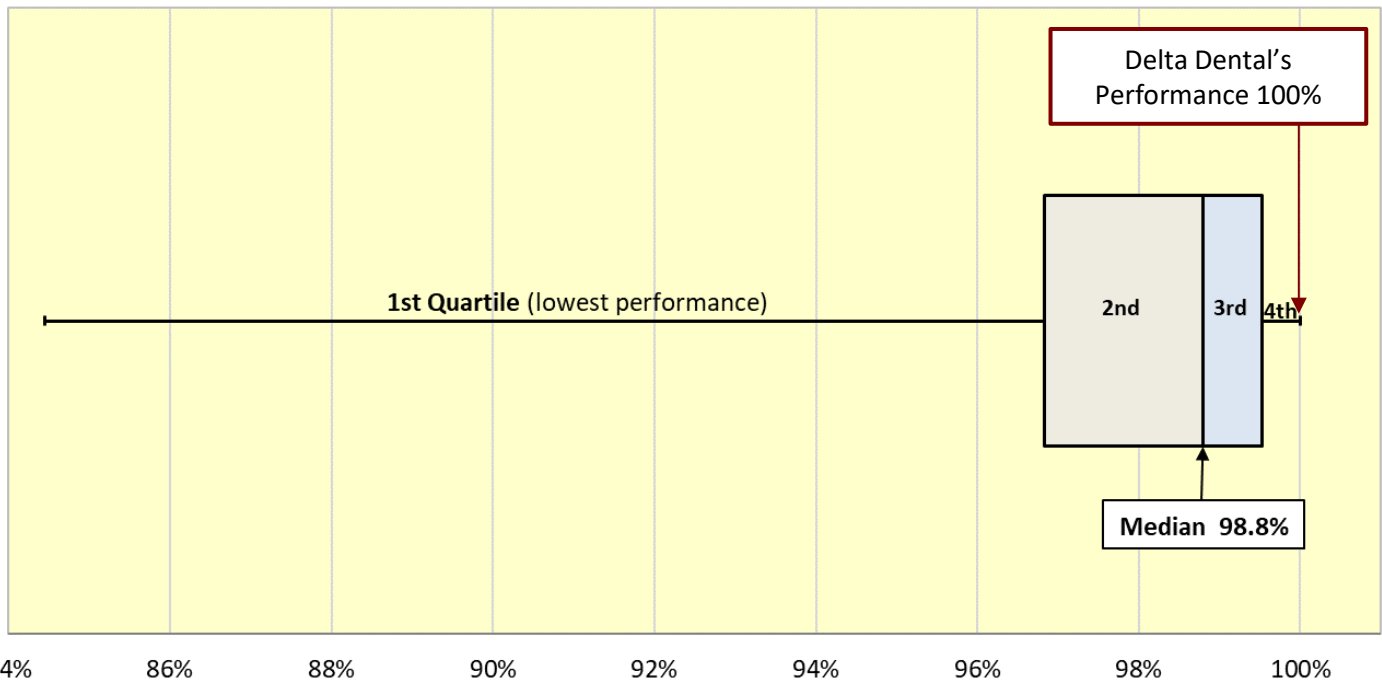
Total Claims	Incorrectly Paid Claims		Frequency
	Underpaid	Overpaid	
170	0	0	100%



Accurate Processing Frequency

CTI defines Accurate Processing Frequency 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	
170	0	0	100%



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
9	15	6

Additional Observations

During the Random Sample Audit, 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	Audit Number
Delta Dental appropriately denied code D1206 for age limitation on this claim. However, the plan allowance would be \$39.99, and the member was being held responsible for the full billed charge of \$55.00. The plan states, on page 3 that <i>Delta Dental Premier Dentists have signed a contract with Delta Dental, agreeing to accept direct payment from Delta Dental. They have also agreed not to charge you any amount that exceeds the Maximum Plan Allowance (MPA).</i> The member should have a patient responsibility of \$33.99 not \$55.00.	1135

FOCUSED AUDIT OF GRIEVANCE CLAIMS

In addition to our Random Sample Audit CTI reviewed a total of 10 claims from calendar years 2021 and 2022 in which members issued a grievance or appeal (formal written communication versus member phone call) with Delta Dental regarding administration of their dental claim or care received from an in-network provider.

In 2021 there were a total of 10 grievances/appeals filed all of which were resolved in favor of Delta Dental, upholding the original claim determination. In calendar year 2022, seven grievances/appeals were filed, four of which were overturned and three upheld.

1. Non-covered benefit (8)
2. Plan providers (4)
3. Out of network (2)
4. Cost Sharing (2)
5. Plan administration (1)

General Overall Findings

In CTI's review we found that the correspondence distributed addressed the members' concerns, and the outcomes were easy to understand. It was also grammatically correct, consistent in messaging, and formatted appropriately. We also observed that members dissatisfied with the quality or professionalism of care received from a Delta Dental network provider – four of the total 17 grievances filed during the audit period – were told to address their concerns with the Wisconsin State Dental Association and referred to a form on the Delta Dental website. The correspondence did not indicate that any internal review or action would take place to address provider behavior or lack of professionalism. In addition, there appeared to be a lack of empathy for the member and/or the circumstances surrounding the providers' unsatisfactory behavior.

Specific Findings

- Two of the 10 sampled claims took longer than one business day to acknowledge, with a response to the members dated in excess of three business days after the correspondence was dated. It should be noted that these findings were from grievances received and resolved in the second and fourth quarters in 2021.
- Five acknowledgement letters and one resolution letter were unsigned. Per Delta Dental, it has updated its process to implement best practices to scan and save the final letter that includes the signature for all correspondence.

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: WETFDental23

Audit Period: January 01, 2021 - December 31, 2022

Claim Universe (as converted)

Stratum		Claim Count	Total Charge Amount	Total Paid Amount
<=250	1	449,318	\$77,457,617	\$49,059,533
<=500	2	255,782	\$83,440,903	\$45,985,166
>500	3	125,538	\$188,394,015	\$21,657,426
Totals		830,638	\$349,292,535	\$116,702,126

Audit Stratification

Stratum		Audit Universe (# Claims)	Proportion (Weight by Count)	Sample
<=250	1	449,318	54.09%	56
<=500	2	255,782	30.79%	57
>500	3	125,538	15.11%	57
Totals		830,638	100.00%	170

Audit Sample Overview

Category	Count	Paid
Claims requested for audit	170	\$25,402.45
Claims for which records not received	0	\$0.00
Claims outside scope of audit	0	\$0.00
Claims as entered included in audit sample	170	\$25,402.45
Audit sample if all claims paid correctly	170	\$25,402.45
Claims with inadequate documentation	0	\$0.00
Total claim payments remaining in audit sample	170	\$25,402.45

APPENDIX B – ADMINISTRATOR RESPONSE TO DRAFT REPORT

Please note that any additional information submitted to CTI in response to the draft report from the administrator is reviewed, and observations may be removed prior to the final report being published. While a removed observation will not be included in the final report, it may be referenced in the administrator’s response that follows.

CTI Findings

CTI screened 100% of the ETF’s claims against the OIG LEIE and identified the following sanctioned providers. Our screening indicated these in-network providers received payment from Delta during the audit period.

Office of Inspector General (OIG) Database List of Excluded Individuals and Entities (LEIE)									
NPI	Exclusion Date	Reinstatement Date	Exclusion Type	Provider Name	Claim Count	Total Charged	Total Allowed	Total Paid	
					Totals	28	\$8,848	\$7,697	\$4,406

DDWI response:

Delta Dental understands the OIG database does not apply to the ETF plan as it is not a federally-funded program.

ESAS Findings Detail Report				
QID	Under/ Over Paid	Delta Dental Response	CTI Conclusion	Manual or System
Duplicate	Payments			
16	\$61.00	<p>The Advantech System is configured to process daily edits which confirm appropriate claim information, such as tooth number, service performed, etc. This edit prohibits duplicate claims and validates that the services on the claim are legitimate.</p> <p>The provider submitted two claims on the same submission date, which included the same procedure codes and the same date of service. The claims processing system denied both claims as duplicate services.</p> <p>The provider could have contacted Delta Dental of Wisconsin to confirm the correct procedure and billed fee. At that point, the claim could be adjusted to allow one of the services billed.</p>	<p>Procedural deficiency and underpayment remain. The provider billed two claims for an examination with the same date of service.</p> <p>Because of this, Delta denied both charges and left as patient responsibility.</p>	<input type="checkbox"/> M <input checked="" type="checkbox"/> S

DDWI response:

Delta Dental agrees with the findings and will reach out to the treating provider to confirm services performed to re-adjudicate the claim. The patient should not be responsible for the duplicate charges.

ESAS Findings Detail Report				
		Delta Dental Response	CTI Conclusion	Manual or System
Plan Exclusions				
Dental, Miscellaneous Services				
30	\$288.00	Agree or disagree. 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 the original benefit set up. This service is not specifically listed in the group's Summary Plan Description.	Procedural deficiency and overpayment remain. Delta paid for this unknown procedure without providing any documentation of what the service was for. CTI was unable to verify the nature of the performed service.	<input type="checkbox"/> M <input checked="" type="checkbox"/> S

DDWI response:

Disagree - The claim was originally processed with procedure code D9999 denied as the 'service is considered part of the completed procedure'. The provider was held liable for the \$360.00 charge.

On 9.20.2021, additional information was received from the provider regarding the D9999 service and was reconsidered for benefit. An adjustment was completed on 9.20.2021 to allow the additional payment of \$288.00 for removal of bonding on specific teeth for orthodontic healing.

Audit No.	Under/Over Paid	Delta Dental Response	CTI Conclusion	Manual or System
Denied Eligible Expense				
1006	\$59.00	Disagree. Delta Dental of Wisconsin's claims processing system checks for claims submitted by the same provider with the same service date and procedure codes to identify duplicate claims. Claim [REDACTED] was identified as a duplicate and auto adjudicated through the claims processing system. When a claim correction is needed, the provider may contact Delta Dental of Wisconsin or submit a correction with the original claim number and additional information. For claim [REDACTED], Delta Dental of Wisconsin can reach out to the provider to confirm the correct services then re-adjudicate the claim.	Procedural deficiency and underpayment remain. The provider billed two claims for an examination with the same date of service. Both charges were denied and left as patient responsibility.	<input type="checkbox"/> M <input checked="" type="checkbox"/> S

DDWI response:

Delta Dental agrees with the findings and will reach out to the treating provider to confirm services performed to re-adjudicate the claim. The patient should not be responsible for the duplicate charges.

Audit No.	Under/Over Paid	Delta Dental Response	CTI Conclusion	Manual or System
Denied Eligible Expense				
1168	\$335.00	Agree or disagree. Amendment #2 dated August 23, 2017 outlines the adjunctive services codes that are payable within the terms of the contract. Occlusal guards (D9944) are not included in that listing. This service is not specifically listed in the group's Summary Plan Description exclusion section.	Procedural deficiency and overpayment or underpayment remain. Eligible expense for an occlusal guard was denied. The plan does not have an exclusion for this service.	<input type="checkbox"/> M <input checked="" type="checkbox"/> S

Disagree. Amendment #2 dated August 23, 2017, exclusion line 14 outlines that that the services must be included on the Certificate of Coverage to allow for payment under the plan.

13. Dental procedures in cases where, in the professional judgment of the attending dentist, a satisfactory result cannot be obtained

14. Procedures and services not specifically provided under this Certificate of Coverage and procedures and services excluded by Dental Plan.

15. Any oral surgical procedures not specifically listed as a covered benefit or for which coverage exists under Uniform Benefits.

Key Contract Provisions	Covered Services (Examples)
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Code D9940 is not included in the list of covered Adjunctive Services codes.

Adjunctive Services:

- D9110 Emergency treatment/palliative.
- D9210 Local anesthesia not in conjunction with operative or surgical procedures.
- D9215 Local anesthesia used in conjunction with operative or surgical procedures.
- D9220 General anesthesia – 30 minutes.
- D9221 General anesthesia – 15 minutes.
- D9230 Nitrous oxide sedation.
- D9241 Intravenous sedation analgesia – 30 minutes.
- D9242 Intravenous sedation analgesia – 15 minutes.
- D9610 Therapeutic parenteral drug, single administration.
- D9612 Therapeutic parenteral drugs.
- D9910 Application of Desensitizing.
- D9911 Apply desensitizing resin.
- D9930 Treatment of complications.
- D9999 Unspecified adjunctive procedure.

Orthodontic Services - limited to age 19, 50% coverage.

Observation	Audit Number
Delta Dental appropriately denied code D1206 for age limitation on this claim. However, the plan allowance would be \$39.99, and the member was being held responsible for the full billed charge of \$55.00. The plan states, on page 3 that Delta Dental Premier Dentists have signed a contract with Delta Dental, agreeing to accept direct payment from Delta Dental. They have also agreed not to charge you any amount that exceeds the Maximum Plan Allowance (MPA). The member should have a patient responsibility of \$33.99 not \$55.00.	1135



DDWI response:

Delta Dental of Wisconsin will continue to follow Wis. Stat. sec. 632.873(1)(a) definition of “covered service.”

General Overall Findings

In CTI’s review we found that the correspondence distributed addressed the members’ concerns, and the outcomes were easy to understand. It was also grammatically correct, consistent in messaging, and formatted appropriately. We also observed that members dissatisfied with the quality or professionalism of care received from a Delta Dental network provider – four of the total 17 grievances filed during the audit period – were told to address their concerns with the Wisconsin State Dental Association and referred to a form on the Delta Dental website. The correspondence did not indicate that any internal review or action would take place to address provider behavior or lack of professionalism. In addition, there appeared to be a lack of empathy for the member and/or the circumstances surrounding the providers’ unsatisfactory behavior.

DDWI response:

Delta Dental refers members to a form on the Wisconsin Department of Safety at <https://dsps.wi.gov/Pages/SelfService/FileAComplaint.aspx>. A copy of the form is enclosed for the member’s convenience.

Specific Findings

- Only one of the 10 sampled claims was date stamped as received by Delta Dental. The remaining nine claims were only dated by the sender either via email, Chatter, or US mail service.

DDWI response:

Only complaints that are received via US mail are stamped with the received date—If received electronically, the date received is on the email or fax.

- One of the 10 sampled claims took longer than five business days to acknowledge, with a response to the member dated six business days after the correspondence was dated.

DDWI response:

An acknowledgment is sent as soon as a grievance is received in the Professional Services Department. Grievances are sometimes received by other departments and forwarded to the Professional Services Department, which may cause a delay.

- Five acknowledgement letters and one resolution letter were unsigned.

DDWI response:

All letters are signed before being sent. Delta Dental has updated the process to implement best practices to scan and save the final letter that includes the signature for all correspondence.

This document has been prepared in good faith on the basis of information provided to Claim Technologies Incorporated, without any independent verification. If the data, information, and observations received are inaccurate or incomplete, our review, analysis, and conclusions may likewise be inaccurate or incomplete. Our conclusions and recommendations are developed after careful analysis and reflect our best professional judgment.

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