

## Arizona State Retiree System (ASRS) – Executive Summary

MetLife is pleased to submit our Proposal in response to the Arizona State Retiree System (ASRS) request for proposal for Dental Services. Our response addresses all elements of the RFP and includes attachments to provide details regarding our capabilities.

Throughout our Proposal we demonstrate how MetLife is uniquely qualified to be ASRS' partner to offer Dental benefits. Our objective is to deliver a superior quality, easy-to-administer benefits program that provides the best customer service and most value to retirees at ASRS.

Our plan designs are guided by the latest market trends, clinical research and practice protocols. Additionally, we offer a comprehensive education program designed to help retirees make better choices about their oral health at costs that can help you meet the ASRS's financial goals. MetLife Dental is backed by the commitment, knowledge and financial strength needed to deliver a dental benefit plan that satisfies the needs of your retirees and their dependents.

We use effective strategies to build and maintain a strong, stable network that helps ensure participants receive excellent value from their dental plan.

- **Our national network is amongst the largest in the country.** At the center of our dental preferred provider organization (Dental PPO) is our Preferred Dentist Program. The PDP Plus network provides the greatest selection of in-network options with more than 474,000 participating dentist access points.
- **You and your retirees can save money through our negotiated fees.** MetLife offers a deep discounted PPO model with network discounts that are generally 30% to 45% less than the average submitted charges in the same community and growing deeper every year. Other carrier's network models offer a segment of dentists who are contracted at very little discount. Our 2018 weighted average national PPO discount is approximately 42% less than the average submitted charges received from both in- and out-of-network dentists, based on our standard fee schedules.
- **Dentists who join our network tend to stay in our network.** Our well-established selection process and rigorous credentialing standards help us assemble and maintain a stable network, so your retirees will experience less disruption. Turnover in our network has been consistently low year over year and was only 1.98% in 2018.

Our claim processing and administration leverages technology to maintain excellent performance and accuracy levels and improves the customer service experience. We use a single source to feed our enrollment, eligibility, claim and billing databases to ensure consistent and reliable data exchanges.

Our experienced and dedicated Client Service Teams are available to help handle your challenges. Our focus is to work in the most effective and efficient way possible to help ensure your benefits programs run smoothly, saving our customers time and money. Our goal is to consistently deliver excellent customer service at every stage your benefits plan.

We have 29 customers in the State of Arizona each with 5,000 or more lives. Two of our largest Dental customers include Swift Transportation (21,000 lives) and Sprouts Farmers Markets Holdings, LLC (14,000 lives). Additionally, MetLife has over two-thirds of all State governments as customers, 11 of which are Dental customers. Finally, MetLife is proud to provide benefits to over 3,000 public sector employers across the nation.

MetLife not only has a large book of business within Arizona, but we maintain a significant physical and economic footprint in Arizona. In total MetLife employs 78 associates, accounting for nearing \$7M in annual salaries and benefits. MetLife invests \$778M in the Arizona economy, with \$84M in agricultural loans, \$47M in renewable energy, and \$18M in affordable housing. Finally, MetLife paid out over \$300M in claims to Arizona policy holders last year.

As this plan is entirely paid for by the retiree, maximum value is obtained when services are delivered in-network with deeply discounted fees. Our analysis shows our offering will maximize value due to the following:

- Largest true network in Arizona;
- Largest discounts;
- The highest value score as measured by Ruark (In-network use times discounts);

- Discounts that apply even when the plan maximums are exceeded;
- Extensive experience in understanding what plan designs generate the most value.

To maximize value, we have included an alternative plan design #2 which incorporates the following:

Hi Option

- Increases Type A benefits by 20% from 80% to 100%;
- Holds the current rates flat for two years with a modest increase of 3% in year 3.

Low Option

- Increases the Plan Maximum by 25% from \$1,000 to \$1,250;
- Holds the current rates flat for 3 years.

Finally, should ASRS choose to stay with the current plan design, the ASRS and your retirees will save \$2.3M in year one, and approximately \$4.5M over the three year rate guarantee; thus allowing that money to be used for the ASRS medical options.