

Thank you for the opportunity to present our Best and Final Offer for the Arizona State Retirement System (ASRS) and to provide our recommendations as you consider enhancing the current DHMO program

For our Best and Final Offer to the ASRS, we have reduced the rates on our S800B/S700B dual offering by 2% and 3.5%, respectively.

As we discussed at our interview, the ASRS might consolidate its DHMO plan offerings to one plan instead of two plans. If the ASRS goes this route, we recommend our S700B DHMO plan as the sole offering.

For our Best and Final Offer in this regard, we have reduced the S700B rates by 9.6%, should ASRS choose it as the single offering.

Should you select one or both proposed United Concordia DHMO plans, your members will enjoy the following advantages over the incumbent DHMO plans:

- **Open access network:** See any network general dentist you'd like—anytime, anywhere. We have no rosters or office assignments, and ASRS members will never have to contact us to change dentists. An open access network also means faster appointments. We also have no closed offices, so ASRS members can visit any office within our directory.
- **Rapid network expansion:** We're always growing! We have 46,000 provider access points nationwide and have grown our DHMO network by 95% nationally in the past five years.
- **Same copayments for general dentists and specialists:** On our DHMO plans, a single member copayment applies for both the primary dentist and specialist, reducing confusion on what a member must pay in the different scenarios. Further, our network specialists agree to perform all listed procedure codes at the listed copay. On the incumbent plans, only a subset of specified codes is allowed at a specialist for the listed copay, which can be detrimental to the member experience, as not all general dentists perform specialty care procedures.
- **More dental procedures covered = less upselling:** Our DHMO plans both cover over 500 procedure codes, offering ASRS members even more options when seeking covered dental services. The incumbent low and high plans cover 170 codes and 220 codes, respectively. The vast coverage on the S700B and S800B minimizes the possibility that a treating dentist will need to upsell ASRS members, as so many more procedures are covered on the plan.
- **Full implant coverage:** Both plans cover complete dental implants (implant + abutment + crown) at a set copayment versus just a discounted amount on the incumbent 220 plan. The incumbent Heritage Secure plan does not cover implants at all.

Why choose the S700B as a single offering?

- This plan offers **richer benefits** than the incumbent high plan at **a lower price point**.
- **All members**, whether on the low or high incumbent plans, **will experience a benefit increase** with the S700B.
- Consolidating to one DHMO plan means **simplicity for you and your members**: one clear choice for members at enrollment time, as well as the efficiencies of maintaining a single enrollment file and fewer member communication materials to produce.
- The S700B price point falls right in between the current incumbent low and high plan rates, leading to savings for current high plan members and a negligible difference for low plan members.