

UNITED CONCORDIA® DENTAL

Protecting More Than Just Your Smile®



# ARIZONA STATE RETIREMENT SYSTEM AND UNITED CONCORDIA DENTAL

*A Powerful Partnership You Can Count On*

**Solicitation BPM001922**

March 6, 2020

ASRS Procurement  
3300 N Central Ave.  
Phoenix, AZ 85012

**RE: Request for Best and Final Offer for Arizona State Retirement System**

United Concordia is offering the following to the Arizona State Retirement System based on financial risk arrangement:

**Fully Insured PPO:**

- Three year rates from our original proposal plan designs stand as calculated in the RFP
- We are willing to offer the following updated rate caps:
  - 6.0% cap on year four
  - 7.0% cap on year five
- A third high plan option matching ASRS's requested high plan in the RFP with the following plan design recommendations for your consideration:
  - \$1,500 annual maximum
  - \$1,500 dental implant lifetime maximum
  - All Periodontal and Endodontic services covered in Major, Class III category
  - Alternative benefit language and missing tooth limitation administered
  - High option 3 rates are offered as a dual-option only with new low option rates. Low option benefits remain the same.
- An overall 1% increase, for a total of 3.0%, to the Percent at Risk on PPO Performance Guarantees

**ASO PPO:**

- We are offering a reduced ASO fee for five years.

|        | ASO Fee |
|--------|---------|
| Year 1 | \$2.70  |
| Year 2 | \$2.70  |
| Year 3 | \$2.70  |
| Year 4 | \$2.75  |
| Year 5 | \$2.80  |

- ASO fees are Per Contract Per Month

- We are providing a credit of up to \$150,000 to offset transition costs and/or business expenses.
- We are also offering an in-network discount guarantee of 39.5% with \$0.10 Per Contract Per Month at risk.

**Fully Insured DHMO:**

- 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.
- Should ASRS choose the S700B plan as a single DHMO offering, rates for this plan have been reduced by 9.6%. Our proposed S700B plan includes richer benefits and savings for many participants.
- With our DHMO, participants will benefit from the open access network, full implant coverage, less upselling, and the same copayments for general dentists and specialists.

If you have any questions regarding our best and final offer, please contact me at (602) 850-1081 or via email at [Andrew.Sikes@ucci.com](mailto:Andrew.Sikes@ucci.com).

Sincerely,



Andrew Sikes  
Senior Sales Manager



Thomas J. Palmer  
Senior Vice President, National Sales and Service

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## Executive Summary

### The United Concordia Dental Impact:

At United Concordia Dental, we have a successful history of developing strong, productive partnerships. Our valuable dental solutions will deliver:

- Superior service through responsive and personable sales and client management staff and our dedicated operational support team
  - Broad access to a vast network of URAC accredited dentists
  - Industry-leading network value, offering significant discounts that will deliver a stable and predictable cost of care to ASRS and reduced out-of-pocket expenses for participants
  - A dental solution with an emphasis on the importance of the role of oral health in participants' total well-being
- 

### Providing Unparalleled Expertise

For the last 48 years, United Concordia has provided high-quality care and lower dental care costs to millions of members across the nation. Today, we work with more than 22,500 clients who understand that a partnership with the right dental benefits company results in coverage that stands out from the competition. Our best-in-class expertise, focus on dental and diverse experience working with private and public sector clients of all sizes (e.g., school districts, state, local and federal governments, and active and reserve military personnel and their families) well positions us to address ASRS's unique expectations.

*Our 48-Year Track Record Says a Lot:*

**\$1.6 billion**  
in revenue

**A.M. Best**  
A (Excellent) Rating

**Over 1,100**  
employees

**8.9 million**  
members

## United Concordia's Consultative Approach to Dental Care

A powerful partnership with United Concordia means having confidence that we deliver exceptional value and offer industry-leading solutions. It also means knowing that the right people are in place, using their expertise to provide unique products and services. Our team is ready to partner with ASRS to offer the right dental solutions to improve the oral and overall health of your participants.



### ASRS's Dedicated Client Management Team

ASRS's satisfaction is a top priority for United Concordia. We put our customers at the center of everything we do, working to create a long-lasting partnership built on trust.

Andrew Sikes, Senior Sales Manager, will assemble an implementation team composed of key personnel from our operational areas and prepare a plan to guide the implementation process, ensuring a smooth transition.

Ericka Cauthon, RDH, Oral Wellness Consultant, offers a unique set of services to help participants manage their dental benefits, including behavior-change initiatives to improve overall wellness and increase productivity. Our Oral Wellness Consultants are the physical representation of our commitment to wellness.

Stephanie Anthony, Senior Client Manager, will be ASRS's day-to-day contact, acting as your advocate within United Concordia, with direct access to our senior management. She is responsible for reporting, performance monitoring and collaborative benefits planning. Through our consultative approach, Stephanie will meet regularly with your benefits management team to discuss ASRS's needs, goals and objectives, as well as strategic recommendations based on her in-depth knowledge of your benefits and the dental insurance industry.

Mark Skawinski, Regional Director, Sales; Debby Holt, Regional Manager, Account Service; and Laurie Laspina, Vice President, Western Division, will support Stephanie in managing our partnership, ensuring attention to your needs at United Concordia's highest levels.



## Open Enrollment and Employee Communications

Stephanie will work with ASRS to coordinate the distribution of enrollment materials for your participants and will meet with you regularly to discuss your needs, goals and objectives for the dental program.

During open enrollment, United Concordia provides participants with standard enrollment materials, which include a description of your dental program, answers to frequently asked questions and enrollment information. We can also provide a supply of enrollment materials to ASRS for distribution to new participants, as needed.

We are able to create materials for special mailings or payroll stuffers, based on your communication needs; however, there may be additional charges, which are dependent upon the materials requested.

Our trained sales and service staff is available during enrollment meetings to answer questions. In addition, customer service representatives are available toll-free Monday through Friday, from 6:00 a.m. to 4:00 p.m., Mountain Time, to address any questions that arise after the enrollment meetings. We notify our customer service department prior to open enrollment meetings to ensure they are knowledgeable of your benefits and can answer general questions members may have during the enrollment process.

In addition, Stephanie will coordinate your electronic enrollment with our Enrollment and Billing department and monitor the enrollment process.

United Concordia is also offering ASRS a specialized Clients' Corner page, which typically includes the following plan-specific information:

- Detailed information regarding your dental plan
- A direct link to your dental network
- Links for members to access My Dental Benefits, to download a claim form and to email customer service
- ASRS's assigned toll-free customer service telephone phone number
- Benefits summary, if requested
- ASRS's logo
- A link to the American Dental Association (ADA)



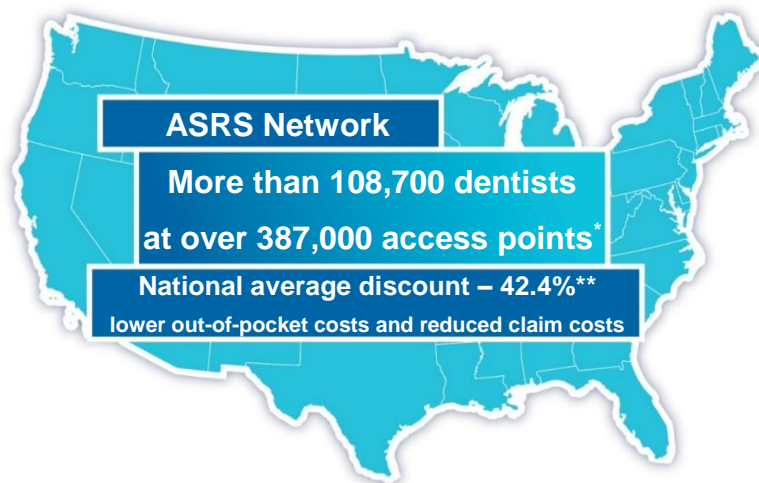
## Access to Exceptional Dental Networks

At United Concordia, we recognize the importance of offering convenient access to care. Our broad networks, with industry leading discounts, are some of the largest in the nation, meaning ASRS participants will benefit from lower out-of-pocket costs and high quality, cost-effective dental care.

### Providing a Comprehensive PPO Dental Network

Participants have access to a comprehensive ASRS specific dental network, supporting both urban and rural areas nationally. This means a credentialed dentist is always nearby:

- 100% of participants have access to two general dentists within 10 miles
- 96.5% network dentist retention in 2018



*\*Not available in all jurisdictions*

*\*\*United Concordia Dental internal research & reports, 12/18.*

### Offering DHMO Plans Powered by Solstice

Participants in the Solstice Dental Plans are eligible to receive benefits immediately upon the effective date of coverage with:

- No capitation, rosters or primary dentist selection required
- No waiting periods, late entry penalties, deductibles or calendar year maximums
- Most diagnostic and preventive care at no charge
- Cosmetic procedures, including whitening, bonding and veneers, covered at co-pay
- Orthodontic coverage at a co-pay level for adults and children



## **URAC Reaccreditation**

United Concordia has passed a rigorous, independent, top-to-bottom review of every aspect of our PPO network operations, including the quality of care and level of service we provide our members. Earlier this year, we received URAC reaccreditation for three years, demonstrating our ongoing commitment to employing best practices in provider network management and patient protections. We consider reaccreditation a significant milestone in our strategy to improve member care by increasing network quality – both in terms of dentist attributes and process measures.



## **Widespread Discounts and Savings**

United Concordia recognizes the importance of strong dental networks that offer attractive discounts and abundant access to participating dentists, resulting in lower costs and greater satisfaction for employers and participants. The proposed ASRS PPO network offers a national average discount of 42.4%. Additionally, ASRS will benefit from United Concordia's market-leading discounts on countless non-covered services, providing added value for your oral health needs.

## **Network Recruitment**

Because dental insurance is our main focus, United Concordia is committed to recruiting additional dentists to enhance ASRS's network access and we will follow up on all recruitment requests made by participants.

We take a customer centered approach with our network growth strategy. Our philosophy is two-fold – increase the volume of the dentists so participants have a wide selection from which to choose and focus on bringing those dentists who are currently treating participants into the network. Thus, our focus is on not only the total volume of dentists, but also the dentists that treat enrolled participants.

Our dedicated Professional Relations recruitment team has a proven track record of successfully contracting network dentists for our clients. Understanding the strong relationship between patients and dentists, United Concordia strives to contract with participants' dentists who are not currently in the ASRS network. We will continually analyze network access using GeoAccess reports to pinpoint areas for network development. Our recruitment efforts are limitless; United Concordia has the capabilities to work with ASRS to identify, recruit, and contact specific non-contracted dentists to fill network gaps.

## Generating Savings and Managing Plan Costs

United Concordia offers many programs to help defray rising dental care costs. Several examples include:

### Network Savings

We offer strong dental networks that include attractive discounts and abundant access to participating dentists, resulting in lower costs and greater satisfaction for clients and participants.

### Medical and Dental Integration


Using medical and dental claims data, we can identify and track participants with conditions affected by oral health. Through education, focused outreach and thoughtful plan design, our goals are to help fight the rising overall cost of medical and dental care over the life of the participant, increase productivity and lower absenteeism: in short, a healthier life.

### Oral Wellness Participant Education

At United Concordia, we are moving beyond dental benefits and reaching for new opportunities to connect more closely in our customer's care. From innovative, research-backed products to informed and engaged Oral Wellness Consultants, our nontraditional approach can help ASRS participants lead healthier lives.

Additionally, our Dental Health Center provides information on dental health topics for all ages, from infant dental care to senior smiles, and also offers kids' activity pages. We encourage participants to take an active role in their dental costs and care.

### Innovative Provider Contracting

United Concordia's directories indicate when a dentist has accepted a voluntary provision of our participating dentist agreement to limit their charges for all non-covered services, which includes services over the plan maximum, to the Maximum Allowable Charge schedule (MAC). These dentists are shown in our online directory with a  icon by their name.

### Balance Billing Protection

All dentists participating directly with United Concordia contractually agree to submit claims for participants. In-network providers accept MACs as payment-in-full for covered procedures and bill the participant only for applicable deductibles, coinsurance or amounts exceeding contractual maximums. This ensures participants are not billed more than necessary for covered dental services.

## **Valuable Reporting**

We will work closely with ASRS to ensure our reporting adds value to your evaluation and decision-making processes. We will provide ASRS with the following standard PPO plan reports, at no additional charge:

- Claims and Contracts (ASO Only)
- Claims vs. Premium (Fully Insured Only)
- Utilization Summary
- Network Analysis
- Utilization by Benefit Category
- Itemized Savings
- Contracts by Tier
- Annual Max Report
- Top Dentists by Services
- Top Dentists by Payments
- Top Procedures by Services
- Claims Lag (ASO Only)
- Utilization Fast Facts (single year or comparison)
- Utilization by Benefit Category Detail

Along our standard reports, United Concordia has presentation style reports, including smart text that manipulates the output based on underlying data. These reports offer a richer visual, while also covering similar data as our standard reports. The presentation style reports compare year over year or plan vs. plan. In addition, our proposed rates and fees include four ad hoc reports annually.

The proposed DHMO plans powered by Solstice include the following standard reports:

- Claims vs. Premium
- Membership and Utilization
- Financials
- Payments by Benefit Type
- Premium and Payments by Month
- Detailed Payment

Ad hoc DHMO reports are available upon request.

## Utilization Review and Claims Control

United Concordia's specific methods to control claims cost include:

- Dental policy development – Our dental policy is established by obtaining guidance from practicing dentists, reviewing information from dental professional organizations and evaluating current evidence and research. Our dental directors and staff review this information and make a decision as to which policies we should implement.
- Claims processing system – We apply dental policy prepayment logic to each claim. The system identifies and checks for eligibility, duplicate claims, dental policy, time limitations and coordination of benefits.
- Professional review of claims – Annually, our dentist advisors review tens of thousands of claims to determine dental necessity, alternative methods of treatment, quality of treatment, misrepresentation and reasonability.
- Utilization review and dentist profiling – Our utilization review process identifies dentists who are performing services outside of peer norms. Reports identify these "outliers" and staff analyzes their claims submission activities to determine if additional action is required. When warranted, a review of patient records is conducted to evaluate the dentist's reporting pattern. A dentist advisor reviews the patient records to verify the necessity and appropriateness of the services and that they have been rendered in accordance with recognized standards of care. As a result of the record review, one or more of the following six actions may occur:
  - No further action
  - Education
  - Prepayment review of all future claims for the specific procedure(s)
  - Termination from network participation
  - Overpayment recovery
  - Referral to the Special Investigations Unit (SIU)

In some instances, one or more of these actions may occur immediately following the analysis.

## Supporting Our Veterans and Serving the Federal Government

Our company has a long-standing history of service to the Federal Government, through programs such as:

- TRICARE Dental Program (TDP), which serves families of Uniformed Service active duty members, and National Guard and Reserve members and their families. This is the world's largest voluntary dental program.
- Active Duty Dental Program (ADDP), which provides benefits to active duty military members.
- Federal Employees Dental and Vision Insurance Program (FEDVIP) that delivers benefits to federal employees and annuitants.
- Medicare Advantage, Medicaid, Children's Health Insurance Program (CHIP) and Federal Employee Program (FEP) programs, all of which are offered through strategic partners.

We have the systems in place to process claims accurately and offer a strong and stable network that meets local and national needs, as well as provide lower administration costs and the ability to handle complex program and regulatory requirements.

In addition, United Concordia has been named a Military Friendly employer for 2020. The Military Friendly® Company investigates and identifies organizations whose commitment to serving the military and veteran community is broad in scope and meaningful in terms of actual outcomes and impact. From hiring and career advancement to customer service and charitable investment, Military Friendly® Companies lead the way.

We are proud to offer veterans the opportunity to lead, inspire and support others through positions in our family of companies. We believe that veterans' military background has provided them with skills, knowledge and experiences that translate well into many civilian roles. As such, we are committed to supporting them in making that transition through an array of positions from entry level to experienced, that enable veterans to leverage their abilities to improve the lives of our members. United Concordia allows applicants, new hires and employees to voluntarily self-identify their veteran status that we review based on the guidelines of Vietnam Era Veterans' Readjustment Assistance Act, as amended (VEVRAA) at 41 CFR Part 60-300. The current United Concordia employee population that self-identify as veteran status is 2%.

## Understanding the Value of Community

United Concordia sees each of our members as more than just a number. We value each member as a person we can help on their oral and overall wellness journey. That's why we are dedicated to giving back to the communities that we serve and ensuring everyone has access to affordable, high-quality dental care.



Our dental sponsorships focus on providing free care to the uninsured and underinsured people of our communities. Through these sponsorships, nearly 19,300 underserved patients were provided with over \$14 million in free dental care in 2018.

### Arizona Dental Association Foundation's Give Kids a Smile Program



For the past twelve years, United Concordia has supported the Give Kids a Smile program through the Arizona Dental Association Foundation. Give Kids a Smile serves as the American Dental Association (ADA) Foundation's signature program for providing oral health care access to underserved children across the country. All

services are provided free of charge by volunteer dentists, dental hygienists and other dental professionals. In Arizona, multiple events are held throughout the year to serve hundreds of children with free dental care who otherwise could not afford it. Since 2008, over 10,000 children in the state of Arizona have received more than \$3.2 million in free dental care.

### Central Arizona Mission of Mercy

Since 2013, United Concordia has provided sponsorships for the Central Arizona Dental Mission of Mercy events (AZ MOM). AZ MOM is a large-scale, free two-day dental clinic in Phoenix that serves low or no-income Arizona residents who cannot afford dental care. In the years of our involvement with this organization, nearly 9,000 patients have been served with over \$9.7 million in free dental care.



### Education Initiatives

At United Concordia, we believe dental professions play an important part in helping people experience better oral and overall well-being. This is why we provide a number of scholarships each year to dental and dental hygiene students. We know that when people receive regular dental care they can enjoy not only lasting oral health, but also improved overall wellness. In 2019, we provided over \$35,000 in scholarships to dental and dental hygiene students across the country.



## Improving the Total Well-Being of Participants

Because the health of the mouth is directly related to the health of the body, everything we do focuses on connecting participants and their families to better lives. When ASRS chooses United Concordia, you can be confident that we are powering our partnership with an emphasis on the oral-overall wellness connection, as well as research-backed products.

### Improving Oral and Overall Health Outcomes

United Concordia is leading the dental insurance industry beyond just delivering benefits to a focus on improving the well-being of ASRS's participants.

Our integrated medical and dental approach to care powers our ability to connect participants and their families to enhanced health. At the center of these efforts is our team of knowledgeable Oral Wellness Consultants, similar to coaches in the medical insurance industry, who are experts in all things dental. They offer a variety of services for groups that educate participants on the effect the health of the mouth has on the body, including:

- Oral wellness education materials and change initiatives to incorporate preventive dental services into the current wellness rewards program
- Phone consultation services to discuss wellness engagement strategies
- Collaboration with the current wellness program to complement efforts relating to:
  - Tobacco cessation
  - Diabetes (e.g., insulin resistance and metabolic syndrome)
  - Nutrition education (to support weight loss initiatives, diabetics, those with heart disease, etc.)

### *Preventive Dental Care for a Stronger Workforce*

When employees focus on their oral health and use their benefits for preventive dental care, employers get more from their dental insurance investment.



**164 million** work hours are missed each year because of dental problems



**79 percent** of dental-related emergency visits could potentially be diverted to a dental office



**75 percent** of adults have some level of gum disease

## **Proven Wellness Engagement**

As a wellness-focused dental carrier, we take a preventive approach to dental care, helping participants learn how maintaining oral health can provide better options for managing their overall health. Our ultimate goal is to increase health literacy through member education, identifying and helping to reduce the risk factors associated with the development of chronic conditions, which are costly to treat.

We view open enrollment/health fairs as a direct engagement opportunity and as a way to provide a truly interactive experience – an experience that increases health literacy through promotion of health initiatives that show the connection between oral and overall health. Our oral wellness consultants use a number of tactics, such as the following, to engage participants in their dental wellness benefits:

- Attend ASRS health fairs in multiple locations simultaneously to support intra-state initiatives.
- Collaborate with ASRS's third-party condition-specific management company. For example, we can work with a client's participants to provide educational scripting for diabetic members on the oral systemic connection, as well as working with them on diabetic weight loss initiatives.
- Provide materials (i.e., toothbrushes, introductory letter and educational handouts) for a "desk drop" introducing the plan. The desk drops occurs twice in the first year of the program and proves to be a very successful route to the client's efforts in engagement.
- Collaborate with ASRS to initiate a Wellness Ambassador Program, which trains Ambassadors on the oral/systemic connection, so they can share the information to participants.
- Provide information to on-site wellness clinics, if available, to have dental collateral and network information with a list of dentists close to the clinic for integration opportunities. We can also ask local medical providers to discuss past/present dental care and preventive dental visits with their patients, and the importance of maintaining regular visits.

We believe these engagement options will be well-suited for ASRS.

## **Integrating Medical and Dental**

United Concordia believes evidence supports the need for the dental industry to be an integral part of total health management. We currently work with our parent company to share dental and health information to promote community wellness and overall disease prevention. Similarly, we can work with ASRS's medical vendor to share dental and health information in an effort to improve the overall health of participants. We will work with ASRS and your medical vendor to create a program to include dental product enhancements that contribute to the improved overall health of participants who are enrolled in both the medical and dental plans.

Using medical and dental claims data, we can identify and track participants with conditions affected by oral health. Through education, focused outreach and thoughtful plan design, medical-dental integration has the ability to improve employee health outcomes and reduce medical costs with enhanced care coordination efforts, including:

- Data sharing and analytics with ASRS's medical carrier to improve outcomes and reduce cost of care.
- Oral Wellness Consultants who encourage participants to routinely visit their dental provider, accessing their benefits and living a healthy lifestyle.
- Targeted dental focus groups that explore the best ways to encourage participants to take advantage of their dental benefits.
- Groundbreaking research on the value of going to the dentist for preventive care, which may reduce costs, result in fewer visits to the doctor and improve employee productivity.

## Comprehensive Tools to Support Wellness

### Dental Health Center

ASRS participants will benefit from United Concordia's comprehensive Dental Health Center on our website, which includes articles, brochures and videos covering a wide variety of oral health topics. This online guide for general dental health questions offers a glossary of dental and dental insurance terms, and an online assessment tool to help participants understand how lifestyle, medical conditions and dental history can impact their oral health, and more.

### Social Media Hub

Our presence on social media, including Facebook, Twitter, YouTube and LinkedIn, is designed to educate participants on oral health, as well as how to better understand and get the most out of their dental benefits in a welcoming, convenient environment.

### My Dental Benefits

Our My Dental Benefits portal offers ASRS's participants secure access to manage their dental benefits information, including covered services, coverage levels, frequency limitations, maximums and deductibles, explanations of benefits (EOBs), claims status and history, and virtual ID cards. We will collaborate with ASRS to further boost enrollment, helping your participants take full advantage of the portal.

### Email Campaign

In 2019, we launched a new onboarding campaign for members who opt into our email program. This series of eight emails offers practical tips on how members can use their benefits and presents opportunities for convenient self-service. In addition, our monthly emails provide ongoing oral wellness education.

### SMS Text Messages

Participants who prefer text messages can subscribe to a new series of oral wellness tips as part of our SMS Text Messaging program. In the future, United Concordia plans to expand its text program so that participants can receive text alerts about their dental services, appointments, claims and more.

### United Concordia Mobile Apps – Available in the App Store and Google Play

Our **secure mobile app** allows participants to check the status of their claims, view plan coverage information, use a virtual ID card and use other features.

Our **Chomper Chums** app helps parents encourage their children to learn proper brushing techniques and establish long-lasting, good oral health care habits.

## Delivering an Effortless Customer Experience

Online, on the phone, and in person, we make dental coverage easy for ASRS and your participants. We work hard to provide personalized service, ease of administration and tools necessary to make manage dental benefits.

### ASRS's Account Service Team

- Our client management team, led by Stephanie Anthony, Senior Client Manager, will work closely with ASRS to analyze your dental utilization, using our comprehensive reporting tools, and deliver our recommended benefit plan adjustments – adjustments that provide participants with the dental benefits that best meet their needs while also reducing out-of-pocket costs.
- We are offering your benefits staff the services of our Specialized Services Unit (SSU). The SSU team will provide an additional level of service by addressing any client issues including, claims status, enrollment/eligibility, policy and benefits.
- We provide knowledgeable membership and billing specialists dedicated to ASRS's account. Terra Phillips, Manager, Membership and Billing, will assign a dedicated representative to your account during implementation. Our membership and billing department consists of employees who are dedicated solely to assisting our clients with eligibility and billing inquiries.
- All of ASRS's account servicing will be handled within the United States. United Concordia does not offshore or outsource our administrative responsibilities.

### Participant Services

- Participants will have access to our experienced and highly-rated designated customer service team, ensuring they receive the level of service they deserve. Our designated customer service representatives are available Monday through Friday, 6:00 a.m. to 4:00 p.m., Mountain Time, to respond quickly to inquiries using real-time, online access to system files. Our designated representatives handle key clients and are trained on the specific benefits of each client.
- Our automated Interactive Voice Response (IVR) system gives participants 24/7 access to benefit information, including eligibility, claims status and procedure history.
- Our website features a suite of programs and tools designed to make dental benefits accessible and convenient. Participants can track benefit information, take an oral health assessment, access educational articles, find a participating dentist and schedule an appointment. Participants can also manage their dental benefits on their mobile devices. Our secure apps provide information on benefits, dental procedure history, a virtual ID card, and encourage proper oral health habits for kids.

## **Processing Claims Efficiently and Accurately**

Our focus on being easy to do business with extends to all facets of our operations. We use a proprietary, single-platform, dental-only claims processing system and have experienced claims processing staff working at a single location in the U.S. We understand the importance of processing claims efficiently, accurately and securely, with minimal manual intervention, resulting in cost savings. These numbers speak to United Concordia's commitment:

- Our current auto adjudication rate is among the highest in the industry, delivering faster payment of claims with fewer errors.
- We finalize 94% of all non-investigated claims within 14 days and 99% within 30 days. When combined with more than 99.9% financial and procedural accuracy rates, ASRS can count on prompt and accurate payment of dentists for services rendered.
- Every claim goes through a rigorous process in our Concordia Processing System (CPS), passing through more than 900 edits to determine eligibility and contract limits.
- Our utilization management process features Financial Investigation Reporting System for Tomorrow (FIRST) for dentist profiling and review, strengthening our ability to manage claims costs with precision.
- We use STARSSentinel® technology to identify risk indicators and build an overall profile for every dentist. This is a powerful starting point for developing fraud investigations that may lead to the identification of unnecessary services.

## **Maintaining Industry-Leading Data Privacy Management**

United Concordia has received Common Security Framework (CSF) certified status from the Health Information Trust Alliance (HITRUST) for providing the highest level of privacy to our customers and members. We also have an enhanced level of security for safeguarding personal health information because we meet strict National Institute of Standards and Technology (NIST) requirements. For clients, this means we are equipped to manage complex regulatory environments and effectively secure confidential data at the highest levels. We train our employees – from their hire date and then annually – to ensure they understand their privacy and ethical obligations. Our robust privacy measures include:

- Proper handling of personal and sensitive information
- Stringent computer / laptop, privacy and data security policies
- Industry-leading cyber security policies
- Identification and disposal of suspicious emails



## Offering Convenient, Secure Online Services

We understand the need to be available at any time. At United Concordia, we have the tools and technologies to provide clients and participants with cutting edge technologies, including online services such as smartphone apps that offer access to benefit information 24/7; a dental assessment tool that helps identify oral health risks; and our Smile for Health® Dental Health Center that provides a wealth of information about good oral health.

### Participants

- **My Dental Benefits** – Obtain eligibility information, claims status and procedure history; print ID cards; or sign up for online EOBs.
- **Dental Health Center** – Learn about good oral health through educational articles, brochures and activity pages.
- **Secure Email to Customer Service Reps** – Ensure participant confidentiality.
- **Find a Dentist** – Search for a network dentist, compare dentists side-by-side, create a dentist directory and get directions to a dentist's office.
- **Schedule Now** – Find dentists and book appointments in real-time.
- **Smartphone Apps** – Access benefit information, dentist search, oral health and wellness articles, and games on the go.
- **My Dental Assessment Tool** – Identify oral health risks, and see how lifestyle factors and medical conditions affect the health of the mouth.

### Employers

- **Account Management Portal** – Check eligibility and view and pay bills.
- **eBill** – Pay premiums; view billing information, invoices and online payment history; generate summary reports and detailed participant information.

## Why Choose United Concordia?

For the past 48 years, United Concordia has been the expert in dental insurance. Our personalized service, strong nationwide network of dentists, and dedication to oral wellness will bring unmatched value to ASRS in a highly competitive marketplace. We offer thoughtfully designed plans that combine quality and value with helpful online tools and ease of administration. Our belief in the connection between oral and overall health drives us to create unique products that lead to healthier and happier participants. We strongly believe, and hope you will agree, that United Concordia's proposal positions us to be the best choice for ASRS.

## Dental Plans that Meet ASRS's Needs

We recognize that ASRS wants to deliver the same high quality, cost-effective benefits to your participants. As such, we propose to duplicate the requested dual-option high and low PPO plan designs with our deviations as noted. A detailed copy of the benefit booklet will be needed prior to implementation. Please note our analysis of benefits is based on the situs state; state-specific mandates may affect benefit administration in other states. The policy must control the provision of insurance.

Additionally, we are proposing Solstice's S700B and S800B Dental Plans for ASRS's proposed DHMO.

### Concordia Flex® PPO

#### Description

Concordia Flex allows participants to receive care from any licensed dentist.

Our contracted networks of dentists:

- Must accept our Maximum Allowable Charge schedules (MACs) as payment-in-full for covered services
- Cannot balance bill participants for covered services
- Abide by our utilization review decision
- File claims directly with United Concordia

Nearly all of our participating dentists accept our allowances as payment in full for non-covered services (e.g., whitening and veneers) and services above the annual program maximum, lowering out-of-pocket expenses for participants.

#### Deviations

United Concordia proposes to duplicate ASRS's current PPO plans with our deviations noted. Please refer to our PPO Plan Deviations in Attachment D2 Confidential Documents.

## **Additional PPO Benefits**

### **Maternity Benefit**

We include our Maternity Benefit with all of our PPO programs. This provides an additional dental cleaning for women who are pregnant to help prevent gum disease and defend against pregnancy gingivitis, a mild form of gum disease resulting from changes in the body's hormonal levels.

### **No Cost Vision Discount Program**

As an added benefit, we are offering a free vision discount program with significant reductions on eye exams, lenses, frames and additional eyewear options at any participating provider location from Davis Vision. Participants also receive up to 60 percent off the retail price of hearing aids through a plan administered by EPIC Hearing Healthcare, a partner of Davis Vision.

### **Preventive Incentive®**

Our Preventive Incentive enhancement excludes all diagnostic and preventive (Class I) services from the annual program maximum. This offering encourages members to visit the dentist for routine diagnostic and preventive care, and makes more benefit dollars available if additional treatment is needed. Preventive Incentive is effective immediately, so members do not need to wait until the next plan year to take advantage of this benefit.

### **Implant Rider** (Available under the proposed high option plans)

United Concordia will pay implantology benefits for eligible participants equal to 25% of the Maximum Allowable Charge in year one and 50% of the Maximum Allowable charge for years two+.

The annual deductibles and maximum indicated on the Schedule of Benefits will be applied to implant services. No waiting period applies.

## **Smile for Health® - Wellness**

United Concordia recognizes the value additional wellness benefits will bring to ASRS and your participants. As such, we are proposing the addition of Smile for Health – Wellness for inclusion in ASRS's PPO dental benefits package.

Our Smile for Health – Wellness program complements the wellness focus employers are rapidly adopting. By adding Smile for Health – Wellness to your dental coverage, ASRS will provide innovative benefit enhancements designed to encourage the proper intervention and maintenance of periodontal health in participants with any of the following health conditions:

- Diabetes
- Maternity
- Other chronic conditions, including: coronary artery disease (congestive heart failure), cerebrovascular disease, lupus, oral cancer (head and neck radiation therapy), organ transplant, and rheumatoid arthritis

By providing greater benefits for the full range of services, including periodontal surgery, that eligible participants may need to treat and control their gum disease, Smile for Health – Wellness clears away any concerns participants may have on the cost of receiving treatment.

Along with the program's benefits, an integrated communication and registration process is easily implemented and delivers:

- Oral health education and program details for all participants
- Targeted messaging to motivate those eligible for Smile for Health – Wellness benefits
- Data on dental utilization that can be integrated into medical case management and other outreach activities by wellness companies and medical carriers.

The combination of targeted benefits, education on the importance of oral health, and the ability to coordinate consistent member outreach with other benefit providers make Smile for Health – Wellness a natural fit for ASRS.

## The College Tuition Benefit®

United Concordia is working to help make college affordable. Our proposal for ASRS includes the College Tuition Benefit, a college savings program. Much like a frequent flyer program, participants earn Tuition Rewards® points that can be redeemed for tuition discounts at participating private colleges and universities.



Participants earn 2,000 Tuition Rewards points at signup, then 2,000 points every year they are covered by United Concordia plans. One Tuition Rewards point is equal to \$1; as such, 2,000 Tuition Rewards points provides \$2,000 in tuition discounts. Each child enrolled in the program receives a one-time bonus of 500 points in their name.

The more Tuition Rewards points participants earn, the bigger their tuition discounts. Tuition Rewards points can be used to help eligible students in the policyholder's family afford college, including children, grandchildren, nieces, nephews, stepchildren, godchildren and adopted children.

Three colleges and universities in Arizona currently participate in the College Tuition Benefits program. Participating schools include:

- Benedictine University at Mesa
- Embry-Riddle Aeronautical University - AZ
- Prescott College

In addition, more than 400 schools participate in College Tuition Benefits throughout the country. If awarded the opportunity to administer ASRS's dental coverage, United Concordia will provide more information about the College Tuition Benefit.

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<sup>1</sup> Tuition Rewards® is a Registered Trademark of SAGE Scholars, Inc. SAGE is not a subsidiary or affiliate of United Concordia Insurance Company (UCIC). Subject to eligibility requirements and terms and conditions. Tuition Rewards are a value-added program and not an insured benefit. Program participation subject to enrollment with SAGE. "Points" are credits that may be used to discount the cost of Tuition and have no cash value. UCIC does not provide services related to this program. Tuition Rewards not available in all jurisdictions. Program subject to change without notice.

## Proposed PPO Benefit Summary – High Option 1\*

| Class I Services – Preventive   |  | Plan Pays                           |
|---|--|-------------------------------------|
| Exams & Cleanings<br>Bitewing X-rays<br>Fluoride Treatments<br>Space Maintainers<br>Sealants  |  | 100%                                |
| Class II Services – Basic   |  |                                     |
| Full Mouth & Periapical X-rays<br>Palliative Treatment<br>Basic Restorative<br>Extractions<br>Pulp Caps / Pulpotomy<br>Periodontics (Excluding Soft / Connective Tissue Grafts)<br>Oral Surgery – Minor<br>General Anesthesia |  | 80%                                 |
| Class III Services – Major  |  |                                     |
| Endodontics<br>Soft / Connective Tissue Grafts<br>Bridge & Denture Repair<br>Crowns, Inlays, Onlays<br>Oral Surgery – Major<br>Prosthetics<br>Dental Implants<br>Cone Beam Imaging  |  | Year 1: 25%<br>Year 2+: 50%         |
| Deductibles and Maximums  |  |                                     |
| Annual Program Deductible<br>(Applies to Basic and Major Services)  |  | \$50 per person<br>\$150 per family |
| Annual Program Maximum (per person – Preventive Services Excluded)  |  | \$2,500                             |
| Out-of-Network Reimbursement  |  | 80 <sup>th</sup> Percentile         |

\*This summary is a representative listing of services covered under the proposed program.



## Proposed PPO Benefit Summary – High Option 2\*

| Class I Services – Preventive   |  | Plan Pays                           |
|---|--|-------------------------------------|
| Exams & Cleanings<br>Bitewing X-rays<br>Fluoride Treatments<br>Space Maintainers<br>Sealants  |  | 100%                                |
| Class II Services – Basic   |  |                                     |
| Full Mouth & Periapical X-rays<br>Palliative Treatment<br>Basic Restorative<br>Extractions<br>Pulp Caps / Pulpotomy<br>Periodontics (Excluding Soft / Connective Tissue Grafts)<br>Oral Surgery – Minor<br>General Anesthesia |  | 80%                                 |
| Class III Services – Major  |  |                                     |
| Endodontics<br>Soft / Connective Tissue Grafts<br>Bridge & Denture Repair<br>Crowns, Inlays, Onlays<br>Oral Surgery – Major<br>Prosthetics<br>Dental Implants<br>Cone Beam Imaging  |  | Year 1: 25%<br>Year 2+: 50%         |
| Deductibles and Maximums  |  |                                     |
| Annual Program Deductible<br>(Applies to Basic and Major Services)  |  | \$50 per person<br>\$150 per family |
| Annual Program Maximum (per person – Preventive Services Excluded)  |  | \$2,000                             |
| Out-of-Network Reimbursement  |  | 80 <sup>th</sup> Percentile         |

\*This summary is a representative listing of services covered under the proposed program.

## Proposed PPO Benefit Summary – High Option 3\*

| Class I Services – Preventive   |  | Plan Pays                           |
|---|--|-------------------------------------|
| Exams & Cleanings<br>Bitewing X-rays<br>Fluoride Treatments<br>Space Maintainers<br>Sealants  |  | 100%                                |
| Class II Services – Basic   |  |                                     |
| Full Mouth & Periapical X-rays<br>Palliative Treatment<br>Basic Restorative<br>Extractions<br>Oral Surgery – Minor<br>General Anesthesia                        |  | 80%                                 |
| Class III Services – Major  |  |                                     |
| Endodontics<br>Periodontics<br>Bridge & Denture Repair<br>Crowns, Inlays, Onlays<br>Oral Surgery – Major<br>Prosthetics<br>Dental Implants<br>Cone Beam Imaging |  | Year 1: 25%<br>Year 2+: 50%         |
| Deductibles and Maximums  |  |                                     |
| Annual Program Deductible<br>(Applies to Basic and Major Services)  |  | \$50 per person<br>\$150 per family |
| Dental Implant Lifetime Maximum   |  | \$1,500                             |
| Annual Program Maximum (per person – Preventive Services Excluded)  |  | \$1,500                             |
| Out-of-Network Reimbursement  |  | 80 <sup>th</sup> Percentile         |

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\*This summary is a representative listing of services covered under the proposed program.

## Proposed PPO Benefit Summary – Low Option\*

| Class I Services – Preventive  |  | Plan Pays                           |
|--|--|-------------------------------------|
| Exams & Cleanings<br>Bitewing X-rays<br>Fluoride Treatments<br>Space Maintainers<br>Sealants   |  | 100%                                |
| Class II Services – Basic  |  |                                     |
| Complete Series X-rays<br>Palliative Treatment<br>Basic Restorative<br>Extractions<br>Periodontics<br>Oral Surgery – Minor<br>General Anesthesia |  | 80%                                 |
| Class III Services – Major   |  |                                     |
| Not Covered  |  | 0%                                  |
| Deductibles and Maximums   |  |                                     |
| Annual Program Deductible<br>(Applies to Basic and Major Services)   |  | \$50 per person<br>\$150 per family |
| Annual Program Maximum (per person – Preventive Services Excluded)   |  | \$1,000                             |
| Out-of-Network Reimbursement   |  | 80 <sup>th</sup> Percentile         |

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\*This summary is a representative listing of services covered under the proposed program.



## **S700B and S800B DHMO Plans\***

United Concordia's DHMO plans powered by Solstice emphasize preventive care at a low cost, which enables dentists to diagnose, treat, and avoid many costly complications. Members of the Solstice Dental Plan are eligible to receive benefits immediately upon the effective date of coverage with:

- No waiting periods
- No deductibles
- No claims forms to submit
- No need to select a primary care dentist
- No waiting to appear on a dentist's "list"
- Ability to change dentists at any time

Our DHMO plans are unique in that we are non-capitated without rosters. This means that our members have the freedom to select any Solstice provider without having to be assigned to their office roster, reducing waiting time to be seen by a dentist and allowing for a higher standard of care and customer experience.

The Member Co-payments listed are offered by a Network General Dentist. The member receives:

- Most diagnostic and preventive care at no charge
- Cosmetic and Orthodontia treatment covered

Members are ultimately responsible for verifications to the accuracy and appropriateness of all fees applicable to any dental benefit provided by a network provider. We urge all members to verify all fees for proposed treatment via the Schedule of Benefits and/or with our member services department prior to treatment.

*\*These plans may be offered in conjunction with our proposed PPO plans.*

## Proposed Rates

We are proposing the Concordia Flex PPO plans described herein as a dual-option on a fully insured basis for the period January 1, 2021 – December 31, 2023 with ***a rate cap of 6.0% for year four and 7.0% for year five.***

### United Concordia PPO

|                                   | High Option 1 | High Option 2 |
|-----------------------------------|---------------|---------------|
| Subscriber Only                   | \$41.05       | \$40.17       |
| Subscriber + 1 Dependent          | \$81.93       | \$80.16       |
| Subscriber + 2 or More Dependents | \$115.94      | \$113.44      |

|                                   | Low Option* |
|-----------------------------------|-------------|
| Subscriber Only                   | \$18.04     |
| Subscriber + 1 Dependent          | \$38.14     |
| Subscriber + 2 or More Dependents | \$69.82     |

*\*Please note only high option 1 or high option 2 is offered as a dual-option with these low option rates. Low option benefits remain the same.*

We are proposing the Concordia Flex PPO plans described herein as a dual-option on a fully insured basis for the period January 1, 2021 – December 31, 2023 with ***a rate cap of 6.0% for year four and 7.0% for year five***. In order to maintain high option rates at a better benefit, the below low option rates are offered only with high option 3.

|                                   | High Option 3 |
|-----------------------------------|---------------|
| Subscriber Only                   | \$35.82       |
| Subscriber + 1 Dependent          | \$71.49       |
| Subscriber + 2 or More Dependents | \$101.17      |

|                                   | Low Option* |
|-----------------------------------|-------------|
| Subscriber Only                   | \$19.29     |
| Subscriber + 1 Dependent          | \$40.79     |
| Subscriber + 2 or More Dependents | \$74.67     |

*\*Please note only high option 3 is offered as a dual-option with these low option rates. Low option benefits remain the same.*

We are proposing the Solstice DHMO plans described herein as a dual option on a fully insured basis for the period January 1, 2021 – December 31, 2025.

**Solstice DHMO\***

|                                      | S700B   | S800B   |
|--------------------------------------|---------|---------|
| Subscriber Only                      | \$13.47 | \$9.06  |
| Subscriber + 1<br>Dependent          | \$22.52 | \$14.87 |
| Subscriber + 2 or More<br>Dependents | \$37.86 | \$22.97 |

*\*May be paired in conjunction with the proposed PPO plans.*

We are also proposing the Solstice S700B plan described herein as a single DHMO option on a fully insured basis for the period January 1, 2021 – December 31, 2025. We have reduced the rates on our S700B DHMO plan by 9.6%, should ASRS select the S700B as its sole DHMO plan offering.

|                                      | S700B   |
|--------------------------------------|---------|
| Subscriber Only                      | \$12.62 |
| Subscriber + 1<br>Dependent          | \$21.10 |
| Subscriber + 2 or More<br>Dependents | \$35.46 |

## Proposed Monthly ASO Fee

We are proposing the Concordia Flex PPO plans described herein as a dual-option on an ASO basis for the period January 1, 2021 – December 31, 2025.

|            | Monthly ASO Fee<br>(per contract per month) |
|------------|---|
| Year One   | \$2.70                                      |
| Year Two   | \$2.70                                      |
| Year Three | \$2.70                                      |
| Year Four  | \$2.75                                      |
| Year Five  | \$2.80                                      |

## Transition Support

United Concordia is offering ASRS a credit of up to \$150,000 to offset transition costs and/or business expenses.



## Underwriting Requirements and Assumptions

This quote is being made as a result of information provided with the rate request. It is intended for informational purposes and is not an offer to contract. If the group wishes to apply for group dental insurance based upon this quote, they may complete an Application for Group Dental Insurance. The application is subject to review and approval by United Concordia Companies, Inc. If the application is accepted, we base the final rates and benefits on verification of the application, verification of the information provided with the rate request, and final enrollment.

### Bid Qualifications

- Plan effective date: **01/01/2021**. Rates and benefits for effective dates thereafter must be approved by Underwriting.
- Rates assume **47,679** eligible employees, with **47,679** participating. Upon sale, quoted rates and benefits may be adjusted based on achieved participation levels. Coverage may be terminated if required participation levels and minimum enrolled contracts are not met. Required participation must be met and maintained throughout the policy period.
- Commissions included: **0%**
- Rates are based upon Standard Industry Classification Code: **9441**

### General Proposal Terms

- United Concordia Dental's dental plan is the only plan offered for acceptance or consideration. The quoted information is invalid if any other dental carrier is offered for coverage.
- In addition to the quoted overall participation requirement, a minimum of 2 enrolled contracts is required for every DHMO program and a minimum of 2 enrolled contracts is required for every FFS program offered.
- All proposed rates, guarantees and caps assume no change to the proposed benefit design. United Concordia Dental reserves the right to re-evaluate proposed rates and benefit if any state or federally mandated benefits or fees are imposed.
- United Concordia Dental is not able to accept business submitted by or pay commissions to producers who are not appointed. Any binder check or other premium payment collected from a group by non-appointed producers, and is then submitted for acceptance to United Concordia Dental directly or through United Concordia Dental sales personnel, will be rejected and returned to the non-appointed producer. Your quotation of rates to groups or submission of business to United Concordia Dental will constitute acceptance of and agreement to comply with these rules regarding appointment and commission payments.

United Concordia Dental may pay the selling broker or benefit consultant ("producer") compensation for the promotion and sale of the products and services offered in this proposal. In addition to our standard compensation arrangements, we may make additional cash payments or reimbursements to selling producers in recognition of their marketing and distribution activities, persistency levels and volumes of business.

We encourage producers and their clients to discuss what commissions or other compensation may be paid in connection with the purchase of products and services from United Concordia Companies, Inc. If you have questions regarding compensation programs related to your insurance plan, you may view the information on producer compensation that is available on our website at [www.UnitedConcordia.com](http://www.UnitedConcordia.com).

- From time to time United Concordia Dental offers premium rate discounts to groups that purchase additional lines of insurance coverage from other insurance companies that are affiliated with United Concordia Dental. You may be eligible for one or more of these multiple policy discounts. Information regarding your eligibility for these discount programs is available from United Concordia Dental sales representatives. The multiple policy discount programs offered by United Concordia Dental may change or terminate at any time without prior notice.
- Due to state or federal mandates applying to residents of other states, dependent eligibility may differ from that quoted.

## Proposed PPO Performance Guarantees

United Concordia is committed to administering our dental programs in an efficient and accurate manner that provides our customers with superior service. As evidence of this commitment, we are offering the following guarantees and amounts at risk for the proposed PPO plans:

| Fully Insured PPO Plan Performance Guarantees |  |                       |                          |        |                         |
|---|--|-----------------------|--------------------------|--------|-------------------------|
| Service Performance Standard                  | Measurement  | Performance Guarantee | Frequency of Measurement | Weight | Frequency of Assessment |
| Eligibility Processing                        | % of updates to eligibility or enrollment records made within two (2) business days after receiving the file.                | 100%                  | Quarterly                | 0.1%   | Annually                |
|   | % eligibility determinations processed accurately.   | 98%                   | Quarterly                | 0.1%   | Annually                |
| Claims Processing                             | % claims processed within fourteen (14) calendar days (paid, denied, or pending) of receipt.                                 | 94%                   | Quarterly                | 0.1%   | Annually                |
|   | % claims processed within thirty (30) calendar days (paid, denied, or pending) of receipt.                                   | 99%                   | Quarterly                | 0.1%   | Annually                |
| Claims Processing Accuracy                    | % claims processed or coded with no errors.  | 98%                   | Quarterly                | 0.1%   | Annually                |
| Claim Calculating Accuracy                    | % of claim dollars submitted for payment calculated correctly (random sample audit of 2% of approved claims for the period). | 98%                   | Quarterly                | 0.1%   | Annually                |

| Fully Insured PPO Plan Performance Guarantees |   |                       |                          |             |                         |
|---|---|-----------------------|--------------------------|-------------|-------------------------|
| Service Performance Standard                  | Measurement   | Performance Guarantee | Frequency of Measurement | Weight      | Frequency of Assessment |
| <b>Customer Satisfaction</b>                  | Average overall satisfaction on Participant satisfaction surveys.   | 90%                   | Annually                 | 0.2%        | Annually                |
| <b>Open Enrollment</b>                        | % of Open Enrollment events attended by Contractor representative.  | 100%                  | Annually                 | 0.2%        | Annually                |
| <b>Account Management</b>                     | % that the response time to ASRS calls/emails is within 24 business hours.                                      | 100%                  | Quarterly                | 0.2%        | Annually                |
|   | Average calendar days to resolve items on account issue tracking log.   | 30                    | Quarterly                | 0.2%        | Annually                |
| <b>Call Answer Speed</b>                      | Average seconds for a customer service representative to answer a call.   | 30                    | Quarterly                | 0.1%        | Annually                |
| <b>Call Abandonment Rate</b>                  | % time the abandonment rate is 2.5% or less.  | 100%                  | Quarterly                | 0.1%        | Annually                |
| <b>Network Access</b>                         | % access to Participants on plan(s) based on GeoAccess criteria as compared to % at the time of Contract award. | Maintain or improve   | Annually                 | 0.2%        | Annually                |
| <b>Renewal Reports</b>                        | % time meets the date for delivering renewals (see <i>Section 7 of the Special Terms and Conditions</i> ).      | 100%                  | Annually                 | 0.2%        | Annually                |
| <b>Total Assessment</b>                       |   |                       |                          | <b>3.0%</b> | <b>Annually</b>         |

***We report performance guarantees quarterly. Penalties for any missed guarantees will be based upon annual performance results.***

## Self-Insured PPO Plan Performance Guarantees

| Service Performance Standard      | Measurement  | Performance Guarantee | Frequency of Measurement | Weight | Frequency of Assessment |
|-----------------------------------|--|-----------------------|--------------------------|--------|-------------------------|
| <b>Eligibility Processing</b>     | % of updates to eligibility or enrollment records made within two (2) business days after receiving the file.                | 100%                  | Quarterly                | 1.0%   | Annually                |
|                                   | % eligibility determinations processed accurately.   | 98%                   | Quarterly                | 1.0%   | Annually                |
| <b>Claims Processing</b>          | % claims processed within fourteen (14) calendar days (paid, denied, or pended) of receipt.                                  | 94%                   | Quarterly                | 1.0%   | Annually                |
|                                   | % claims processed within thirty (30) calendar days (paid, denied, or pended) of receipt.                                    | 99%                   | Quarterly                | 1.0%   | Annually                |
| <b>Claims Processing Accuracy</b> | % claims processed or coded with no errors.  | 98%                   | Quarterly                | 1.0%   | Annually                |
| <b>Claim Calculating Accuracy</b> | % of Claim dollars submitted for payment calculated correctly (random sample audit of 2% of approved claims for the period). | 98%                   | Quarterly                | 1.0%   | Annually                |
| <b>Customer Satisfaction</b>      | Average overall satisfaction on Participant satisfaction surveys.  | 90%                   | Annually                 | 2.0%   | Annually                |

| Self-Insured PPO Plan Performance Guarantees |   |                       |                          |             |                         |
|--|---|-----------------------|--------------------------|-------------|-------------------------|
| Service Performance Standard                 | Measurement   | Performance Guarantee | Frequency of Measurement | Weight      | Frequency of Assessment |
| Open Enrollment                              | % of Open Enrollment events attended by Contractor representative.  | 100%                  | Annually                 | 2.0%        | Annually                |
| Account Management                           | % that the response time to ASRS calls/emails is within 24 business hours.  | 100%                  | Quarterly                | 2.0%        | Annually                |
|  | Average calendar days to resolve items on account issue tracking log.   | 30                    | Quarterly                | 2.0%        | Annually                |
| Call Answer Speed                            | Average seconds for a customer service representative to answer a call.   | 30                    | Quarterly                | 1.0%        | Annually                |
| Call Abandonment Rate                        | % time the abandonment rate is 2.5% or less.  | 100%                  | Quarterly                | 1.0%        | Annually                |
| Network Access                               | % access to Participants on plan(s) based on Geo Access criteria as compared to % access at the time of Contract award. | Maintain or improve   | Annually                 | 2.0%        | Annually                |
| Renewal Reports                              | % time meets the date for delivering renewals (see <i>Section 7 of the Special Terms and Conditions</i> ).              | 100%                  | Annually                 | 2.0%        | Annually                |
| Discount Savings Guarantee                   | Savings off of network dentists' submitted charges.   | 39.5%                 | Annually                 | \$0.10 PCPM | Annually                |
| Total Assessment                             |   |                       |                          | 20.0%       | Annually                |

***We report performance guarantees quarterly. Penalties for any missed guarantees will be based upon annual performance results. Amounts at risk are not inclusive of our proposed network access fees.***

## Proposed DHMO Performance Guarantees

In partnership with Solstice, we are offering the following guarantees and amounts at risk for the proposed DHMO plans. Please note our DHMO performance guarantees are provided on a fully insured basis only:

| Fully Insured DHMO Plan Performance Guarantees |  |                       |                          |        |                         |
|--|--|-----------------------|--------------------------|--------|-------------------------|
| Service Performance Standard                   | Measurement  | Performance Guarantee | Frequency of Measurement | Weight | Frequency of Assessment |
| <b>Eligibility Processing</b>                  | % of updates to eligibility or enrollment records made within two (2) business days after receiving the file.                | 100%                  | Quarterly                | 0.1%   | Annually                |
| <b>Claims Processing</b>                       | % claims processed within fourteen (14) calendar days (paid, denied, or pended) of receipt.                                  | 94%                   | Quarterly                | 0.1%   | Annually                |
|  | % claims processed within thirty (30) calendar days (paid, denied, or pended) of receipt.                                    | 99%                   | Quarterly                | 0.1%   | Annually                |
| <b>Claims Processing Accuracy</b>              | % claims processed or coded with no errors.  | 98%                   | Quarterly                | 0.1%   | Annually                |
| <b>Claim Calculating Accuracy</b>              | % of Claim dollars submitted for payment calculated correctly (random sample audit of 2% of approved claims for the period). | 98%                   | Quarterly                | 0.1%   | Annually                |
| <b>Customer Satisfaction</b>                   | Average overall satisfaction on Participant satisfaction surveys.  | 90%                   | Annually                 | 0.2%   | Annually                |

| Fully Insured DHMO Plan Performance Guarantees |   |                       |                          |        |                         |
|--|---|-----------------------|--------------------------|--------|-------------------------|
| Service Performance Standard                   | Measurement   | Performance Guarantee | Frequency of Measurement | Weight | Frequency of Assessment |
| Open Enrollment                                | % of Open Enrollment events attended by Contractor representative.  | 100%                  | Annually                 | 0.2%   | Annually                |
| Account Management                             | % that the response time to ASRS calls/emails is within 24 business hours.  | 100%                  | Quarterly                | 0.2%   | Annually                |
|  | Average calendar days to resolve items on account issue tracking log.   | 30                    | Quarterly                | 0.2%   | Annually                |
| Call Answer Speed                              | Average seconds for a customer service representative to answer a call.   | 30                    | Quarterly                | 0.1%   | Annually                |
| Call Abandonment Rate                          | % time the abandonment rate is 2.5% or less.  | 100%                  | Quarterly                | 0.1%   | Annually                |
| Network Access                                 | % access to Participants on plan(s) based on Geo Access criteria as compared to % access at the time of Contract award. | Maintain or improve   | Annually                 | 0.2%   | Annually                |
| Renewal Reports                                | % time meets the date for delivering renewals ( <i>see Section 7 of the Special Terms and Conditions</i> ).             | 100%                  | Annually                 | 0.2%   | Annually                |
| Total Assessment                               |   |                       |                          | 2.0%   | Annually                |