

# HOW THE BURLINGTON COUNTY CHAMBER OF COMMERCE CONSUMER DIRECTED DENTAL PLAN WORKS

**Ameritas Life Insurance Corp.** is one of the leading providers of dental insurance in the United States. It has made a plan available to the member companies of the Chamber of Commerce which combines extremely competitive rates, flexibility for each employer and each employee, superior service, and the ability to use a nationwide network combined with the freedom to visit any dentist.

The rates are very attractive because they are based upon the buying power of the Chamber of Commerce as a whole, not each individual member company.

**NationalHR** of Marlton will provide the enrollment and billing function. Each member company will receive its own premium statement and will pay NationalHR. NationalHR will remit one check monthly to Ameritas for the entire group. In order to make sure that the process works smoothly, each member company will have to make an up-front deposit of one month's premium. This will enable NationalHR to make sure that the entire premium is paid promptly each month, even if some companies may be late.

NationalHR will make sure that member companies remain Chamber of Commerce members in order to remain in the dental plan. Firms which drop out of the Chamber or do not renew their membership can no longer be part of the dental plan.

NationalHR is receiving a sales commission and a separate service fee for the TPA services. NationalHR is willing to have other qualified insurance agents of the Chamber sell this plan to its client Chamber members and receive the commission. NationalHR will earn only the service fee on those particular clients. The goal of the Chamber is to bring the plan to as many Chamber members as possible.

The Chamber has entered into an agreement with Ameritas, which creates a master contract and enables the Chamber, for the first time, to take advantage of its buying power in providing benefits to its member companies.

Each employer can select which plan options will be made available to employees. The employer can select one plan only, any two plans, or all three. The ultimate consumer, the employee, then directs how his care is to be delivered.

## The Rules

The insurance company has mandated certain rules and regulations as part of the contract. The reason these rules and regulations are involved is to help make sure that the claims experience of the plan is favorable, causing future rates to also be favorable.

The employer does not have to pay any part of the premium. However, the employer can pay part of the premium, the premium for employees only, or the premium for any part of

the plan, or the entire premium. For example, the employer can pay the premium for the Bronze Plan, and allow employees to contribute should they want either of the other plans.

If the plan is completely voluntary, with the employer not paying any part of the premium, then 25% of the eligible employees must join for the member company to be able to participate.

If the employer is paying a portion of the premium, it must pay at least 50% of the Bronze Plan cost for single coverage.

In all cases, Ameritas must be the only dental plan that the employer makes available to employees.

All coverage starts at the beginning of the month and stops at the end of the month. Employers may only join at the beginning of the month. An individual who does not enter at his initial enrollment eligibility will be limited to preventive care only in the first 12 months of his subsequent participation.

If a participant does not have dental insurance, including major services, before he/she joins the Ameritas plan, he/she will have a 12-month waiting period before any benefits for major services will be paid. The intent of this provision is to make sure that individuals who have neglected their dental health do not take undue advantage of the plan immediately upon entry, which will cause rates to rise.

## **The Benefits**

There are three categories of expenses. Preventive care covers examinations, cleanings (prophylaxis), space maintainers for children, fluoride for children, and certain other procedures.

Basic care includes fillings, oral surgery and anesthesia, x-rays, and sealants. The plan pays for resin (white) fillings in the smile line and amalgam (silver) fillings on teeth which normally do not show. If you want resin on the latter teeth, you pay the difference in cost.

Major procedures include root canals, periodontia, endodontics, dentures, crowns, bridges, and other extensive replacement type procedures.

## **Network**

Ameritas has a nationwide provider network. The network is used with all plans. The individual always has the choice to use a network provider or any other dentist. If a network provider is used, the plan's cost and the individual's cost will both be lower.

## Plan Designs

There are three plans. Each employer can select which plan options will be made available to employees. The employer can select one plan only, any two plans, or all three. Each employee may choose his plan when he first becomes eligible, and may change his plan only at each policy anniversary or the occurrence of a qualifying life event. All family members must be in the same plan.

The Bronze Plan has a \$750 annual maximum for 2006, and \$1,000 beyond. The other plans have a \$1,000 calendar year maximum benefit per person. There is no orthodontia in any of the plans.

### **Bronze Plan**

The Bronze Plan is designed especially for those people with good dental health. These people need preventive and basic care, but the odds of needing major services are low. Therefore, these people can buy a plan with excellent benefits for preventive and basic services, and pay a lower premium because the major services (such as root canal, crowns, bridgework, and dentures) they are unlikely to need anyhow are not covered.

This plan has a \$50 calendar year deductible which is waived for preventive care. Preventive care is paid 100% up to the maximum allowable charge as determined by Ameritas. The charge is based on what a network dentist will accept.

Basic care is paid at 80% of the maximum allowable charge, which, like preventive care, is based on what is accepted by network dentists.

Members may always visit the dentist of their choice. If the provider is a network dentist, preventive care is covered 100% and basic care is covered 80%. If a non-network dentist is used the patient may be asked to pay a portion of the bill. See the table below.

Procedure	Network			Non-Network		
	Charge	Plan Payment	Your Cost	Estimated Charge	Plan Payment	Your Cost
Exam	\$25	\$25	\$0	\$36	\$25	\$11
Cleaning	\$52	\$52	\$0	\$71	\$52	\$19
Bite Wing	\$21	\$21	\$0	\$31	\$21	\$10
One surface Resin Filling	\$74	\$59	\$15	\$113	\$59	\$54
Molar Root Canal	\$596	\$0	\$596	\$895	\$0	\$895
Porcelain Noble Metal Crown	\$573	\$0	\$573	\$845	\$0	\$845

If you receive care outside of the network, expect to receive between 60% and 80% for preventive care, and 40% to 60% for basic care.

**Silver Plan**

The Silver Plan provides higher benefits and has a higher premium. Preventive care is paid at 100% of Usual & Customary fees. You can use a network or non network dentist. The \$50 calendar year deductible does not apply to Preventive Care.

A schedule based on the fees accepted by network dentists is used for basic and major expenses.

Shown below are examples, using the same procedures as above.

For an exam, the plan will pay \$25 to a network dentist. He will accept the \$25 – your cost will be nothing.

If you use a non-network dentist, the plan will pay up to \$36, the current usual & customary cost as determined by Ameritas. If your dentist charges \$36 or less, you will pay nothing. If your dentist charges a higher amount, you will pay the balance.

For a prophylaxis (cleaning), the plan will pay up to \$52 to a network dentist. He will accept the \$52 – your cost will be nothing.

If you use a non-network dentist, the plan will pay up to \$71, the current usual & customary cost as determined by Ameritas. If your dentist charges up to \$71, you will pay nothing. If your dentist charges a higher amount, you will pay the balance.

All basic and major expenses are paid for by a schedule. Below is a schedule, using the same procedures used in the example for the Bronze Plan.

Procedure	Network			Non-Network		
	Charge	Plan Payment	Your Cost	Estimated Charge	Plan Payment	Your Cost
Exam	\$25	\$25	\$0	\$36	\$36	\$0
Cleaning	\$52	\$52	\$0	\$71	\$71	\$0
Bite Wing	\$21	\$21	\$0	\$33	\$33	\$0
One Surface Resin Filling	\$74	\$46	\$28	\$113	\$46	\$67
Molar Root Canal	\$596	\$320	\$276	\$895	\$320	\$575
Porcelain Noble Metal Crown	\$600	\$319	\$281	\$845	\$319	\$526

If you stay in the network, the plan will pay 100% of preventive care, 70% to 80% of basic care, and approximately 50% of major care. If you receive care outside of the network,

expect to receive between 90% and 100% for preventive care, 40% to 50% for basic care, and 30% to 40% for major care, based on what your dentist charges. The more your dentist charges, the lower these percentages will be.

## **Gold Plan**

With the Gold Plan, all the benefits are based on a percentage payment. The maximum payment is based on the network charge negotiated between Ameritas and the dentist if you receive care within the network, or the reasonable & customary cost if you receive care outside of the network. There is no schedule as with the other plans. If the dentist charges greater than reasonable & customary, you will pay the difference. However, many dentists will accept the reasonable & customary payments from Ameritas because they are quite reasonable.

Shown below are two charts showing the same procedures used earlier and how they will be paid both in network and outside the network, using the Gold Plan. A \$50 calendar year deductible applies to basic and major care only.

### **NETWORK**

<b>Procedure</b>	<b>Plan Allows</b>	<b>Dentist Accepts</b>	<b>Plan Pays</b>	<b>You Pay</b>
Exam	\$25	\$25	\$25	\$0 (0%)
Cleaning	\$52	\$52	\$52	\$0 (0%)
Bite Wing	\$21	\$21	\$17	\$4 (20%)
Resin Filling	\$74	\$74	\$59	\$15 (20%)
Root Canal	\$596	\$596	\$298	\$298 (50%)
Noble Crown	\$574	\$574	\$287	\$287 (50%)

### **NON-NETWORK**

<b>Procedure</b>	<b>Plan Allows</b>	<b>R&amp;C Charge</b>	<b>Plan Pays</b>	<b>You Pay</b>
Exam	\$36	\$36	\$36	\$0 (0%)
Cleaning	\$71	\$71	\$71	\$0 (0%)
Bite Wing	\$33	\$33	\$33	\$0 (0%)
Resin Filling	\$113	\$113	\$90	\$23 (20%)
Root Canal	\$895	\$895	\$448	\$447 (50%)
Noble Crown	\$845	\$845	\$423	\$422 (50%)

No matter where you receive care, in or out of the network, you will get 100% of the Reasonable & Customary fee as determined by Ameritas for preventive care, 80% for basic care, and 50% for major care.

## Why Should I Use a Network Dentist?

There are three good reasons to use the network:

1. Your share of the cost, either 20% or 50%, is lower if the total cost is lower.
2. The maximum benefit is \$1,000 per calendar year. This maximum will go further if the charge is lower.
3. If you look at the payments made in the Silver Plan, and the network payments made in the Gold Plan, you will see that some Silver Plan payments are equal or better to the Gold Plan. With the Silver Plan, your premium is lower. Therefore, if you use the network, you can purchase the Silver Plan, save money on premiums, and have benefits which are quite similar to the Gold Plan benefits. If your dentist is not in the network, the Gold Plan becomes much more attractive to you.

## Pros and Cons

Shown below is a chart which shows the pros (the reasons why you should join) and cons of this dental plan.

### Pros

This type of benefit and cost is not available elsewhere for many small employers.

The rates are extremely attractive for this level of benefit. These rates are unavailable elsewhere.

The payment schedules are up to date with respect to the charges made by area dentists.

There is outstanding flexibility for the employer and employee. The employer can pay as much of the premium as it wants. Each employee can select the plan which best fits individual needs. This flexibility is not available elsewhere in the dental market except for the largest employers.

The service from Ameritas has been excellent.

You are not limited to a small panel of providers. An individual can always go to any dentist at any time. Benefits will be higher in the network than outside of it. And, there is no reason why you cannot ask your non-network dentist to accept network fees in your case without joining the network. The nationwide network is quite large.

There is a 12-month waiting period for major services, unless you have prior coverage for these services. This helps with respect to rate stability, allowing the employer to institute a plan which will not suffer large rate increases in the early years.

Ameritas has guaranteed the rates for one year. Each group which joins will have a twelve month rate guarantee. Future rates will be based primarily on the claims of this group, and will change for each group on that group's own anniversary (the date it joined the plan). The safeguards built into the plan design will help make sure that future rates continue to be attractive.

**Cons**

There is no orthodontia coverage available at the present time.

The \$1,000 annual maximum may not meet everyone's needs. However, the plan has been designed specifically to meet the needs of most while having features which will help future rates to continue to be attractive.

**For More Information**

Call *NationalHR* at 856-810-0700 – ask for Andy (ext. 105), Jay (ext. 107), or Jon (ext. 106).

**Monthly Rates**

	<b>Bronze</b>	<b>Silver</b>	<b>Gold</b>
<b>Single</b>	\$18.70	\$25.93	\$33.33
<b>Parent &amp; Child(ren)</b>	50.54	64.97	78.20
<b>Husband &amp; Wife</b>	38.71	54.11	70.13
<b>Family</b>	70.65	93.15	115.00