

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
FEBRUARY 7, 2008

[In these minutes: Delta Dental Plan Review, HealthPartners Dental Group Plan Review]

[These minutes reflect discussion and debate at a meeting of a committee of the University Senate; none of the comments, conclusions, or actions reported in these minutes represent the view of, nor are they binding on the Senate, the Administration, or the Board of Regents.]

PRESENT: Gavin Watt (chair), Linda Aaker, William Roberts, Karen Wolterstorff, Jody Ebert, Jennifer Imsande, Rhonda Jennen, Jerremy Mlenar, Sandi Sherman, Michael Marotteck, Carla Volkman-Lien, Carl Anderson, George Green, Amos Deinard, Richard McGehee, Michael O'Reilly, Theodor Litman, Rodney Loper, Dann Chapman

REGRETS: Tina Falkner, Nancy Fulton, Joseph Jameson, Fred Morrison

ABSENT: Carol Carrier, Frank Cerra, Keith Dunder

OTHERS ATTENDING: Linda Blake, Karen Chapin, Joyce Carlson, Betty Gilchrist, Dan Kearney, Shirley Kuehn, Kathy Pouliot, Curt Swenson

GUESTS: Delta Dental representatives: Richard Hastreiter, DDS, MPH/dental director, Robert Mikkelsen, chief actuary, Valerie Sorenson, vice president Sales & Marketing, Andrea Allred, senior account manager

HealthPartners representatives: Craig Amundson, DDS, senior vice president and dental director; Dave Book, senior manager, Dental Reporting; Forrest Flint, DDS, vice president, HealthPartners Dental Plan, and Susan Hoel, key account manager

I). Gavin Watt called the meeting to order and welcomed those present.

II). Andrea Allred, senior account manager, Delta Dental, announced that she would begin by walking members through a PowerPoint presentation, which would cover a review of the dental plan's performance, and employee satisfaction survey results. Following this portion of the presentation, she noted Delta Dental would provide information on guidelines for wisdom teeth extractions, a topic that was raised at an earlier BAC meeting. Highlights from the review included:

- More than 56,000 claims were processed last year, of which 99% were processed in 14 calendar days. In addition, an independent audit indicated that 99% of these claims were paid and processed accurately.
- On average, Customer Service answered calls in 7 seconds.

- Results of the 2007 annual customer satisfaction survey indicate that 96% of surveyed claimants indicated that they were satisfied with the service Delta provided.
- There is a high concentration of "employee only" coverage; more than 50% of the UPlan contracts were for "employee only" coverage.
- Dental costs by patient type indicate that 53% of costs are incurred by employees, 22% are incurred by spouses/same sex domestic partners (SSDP), and 25% are incurred by dependent children.
- For the period ending September 2007, 14,003 employees were covered (includes retirees). In addition, 22,517 patients used the plan last year, which represents roughly 80% of enrollees.
- For the period January - September 2007, Delta paid out more than \$8.7 million in claims; 40% of those claims fell into the Diagnostic and Preventive Services category.
- Average cost per claim was \$155.44, and the cost per employee unit was \$626.91.
- UPlan savings from Delta Dental network and pricing arrangements totaled over \$2.9 million (or, broken down by employee, \$14.02 per employee per month).
- January and August are typically the peak months for claim activity, and September is generally a low utilization month.
- Key findings as it relates to the narrow network option, Delta Dental PPO:
 - 5,517 employees are covered under this base plan.
 - 45% of the claims incurred were for Diagnostic and Preventive Services, and 17% were incurred for Major Restorative work, e.g. crowns.
 - Average cost per claim in this plan was \$139.36, and the cost per employee unit was \$498.50.
 - UPlan savings from the Delta Dental PPO network pricing arrangement totaled over \$850, 000 or roughly \$12.98 per employee per month.
- Key findings as it relates to the broad network option, Delta Dental Premier:
 - 7,506 employees are covered under this plan.
 - 12,896 patients incurred services of which 40% used a Delta Dental PPO provider, and 60% used a Delta Dental Premier provider. The 40% of patients that use a Delta Dental PPO provider saved the plan money because of the additional pricing discounts offered by Delta Dental PPO providers.
 - \$5,297,150 were paid in claims under this plan; 39% for Diagnostic and Preventive Services and 30% for Major Services, e.g. crowns and posterior resin composites.
 - Average cost per claim in this plan was \$161.57, and the cost per employee unit was \$706.40.
 - UPlan savings from Delta Dental network pricing arrangements totaled over \$1.3 million or \$15.12 per employee per month.
- Key findings as it relates to the open access plan, University Choice:
 - This plan allows members to use any licensed dental provider they choose and reimburses the provider according to a Table of Allowance.
 - The average cost per claim is \$183.70, and the cost per employee unit is \$769.11.

- This plan does not utilize a Delta Dental network.
- \$745,094 were paid in claims under this plan; 39% for Diagnostic and Preventive Services, and 32% for Major Services, e.g. crowns.
- 979 employees are covered under this plan. However, as a part of the last RFP process, arrangements were made with Delta to access discounted care for those members who received services from a network provider.
- There have been changes to the Delta Dental PPO network in the past 12 months. In the Delta Dental Premier plan 154 dentists were added and 57 were terminated (32 retired, 2 died, 1 involuntary term, 9 moved out of state and 13 withdrew). In the Delta Dental PPO plan, 160 dentists were added and 76 were terminated (16 retired, 2 died, 1 involuntary termination, 7 moved out of state, and 44 withdrew). In response to a question it was reported that Delta Dental does not contract with providers on an annual basis. Dentists need only to provide 90 days notice to withdraw from the network.

Moving on, the discussion turned to wisdom teeth extractions. Dr. Amos Deinard ushered in this discussion by citing an article by Jay W. Friedman, DDS, MPH, *The Prophylactic Extraction of Third Molars: A Public Health Hazard*, which concludes that a significant number of third molar extractions are not necessary. Having said this, should the University impose criteria on providers as it relates to wisdom teeth extractions?

Dr. Hastreiter stated that there are generally 3 positions on this issue:

1. The Jay Freeman position, *The Prophylactic Extraction of Third Molars: A Public Health Hazard*.
2. *A Guide to Wisdom Teeth Health* in a special advertising section of USA Today in which the American Association of Oral and Maxillofacial Surgeons finds that all third molars should be extracted.
3. A review in the Journal of Evidence Based Dental Practices (2007; 7:108-109), which concludes that there is no evidence either way to support or discourage the removal of asymptomatic impacted third molars in adolescents or adults.

While there is no doubt that much of what Jay Freeman says is true, there is not enough data to support any of his conclusions noted Dr. Hastreiter. Dr. Deinard stated that based on this, should there be a benefit plan design change that would limit when the plan pays for third molar extractions and when it will not pay? A discussion concerning who should be responsible for having these discussions with providers, Delta Dental or the University, was debated.

Dann Chapman commented that it is striking to him the disparity between dental plans and health plans. He noted that Delta Dental takes the position that they do not influence how their providers practice. On the medical side, on the other hand, boards are set up specifically to review covered and not covered procedures, when prior authorizations are required, etc. Mr. Chapman questioned why it isn't it Delta Dental's role to take a stand and influence best practices, and determine what procedures should and should not be paid for. Delta is in a much better position to influence how dentists practice than the

University. Having the University impose such restrictions on its plan puts it in a very difficult position with its plan participants.

Dr. Hastreiter stated that Mr. Chapman made several valid points. In terms of research, noted Dr. Hastreiter, the dental industry does not use diagnostic coding, which is a major problem. It is impossible to determine why procedures are done. This is a serious deficiency in dentistry.

The discussion became more general and topics ranging from cleanings to composite versus amalgam fillings were debated. A member requested information on how many people hit the plan maximum limit in 2007. Andrea Allred agreed to provide this information to members and also a comparison from 2006 to 2007.

Mr. Watt thanked Delta Dental representatives for their presentation.

III). Next, on the agenda was the HealthPartners plan review. Highlights from the review included:

- HealthPartners has invested heavily over the past several years to increase its administrative capabilities, and networking capabilities in its dental plans. Nationwide, HealthPartners has a network of 37,000 dentists in more than 82,000 locations. This means that University employees can receive in-network benefits in many parts of the country.
- While HealthPartners remains a strong advocate for having medical and dental primary care homes, in 2008 no primary clinic selection or referrals will be necessary. Members will be able to use any network dentist or specialist.
- The HealthPartners Dental Group focuses on managing costs by keeping claims costs low and providing significant discounts.
- HealthPartners dental plan offerings under the UPlan include:
 - HealthPartners Dental, which has 5,983 UPlan members as of January 2008 and more than 1,000 participating Minnesota area dentists.
 - HealthPartners Dental Choice, which has 4,092 UPlan members as of January 2008 and more than 1,800 Minnesota area dentists.
- The HealthPartners Dental Group has over 60 dentists at 16 locations. This is a cost effective network of dentists, which is patient centered and focuses on transforming dental care by emphasizing quality.
- HealthPartners Dental Group practice principles include:
 - Delivery of care based on best evidence and evidence-based care guidelines.
 - A focus on disease management, disease risk assessment and risk reduction.
 - The preservation of hard and soft tissue.
 - The application of a medical model of care to dentistry.
- Dentistry costs in total are one of the most expensive types of specialty care within the conglomerate of health care specialties.

- There are approximately 10,000 UPlan members with HealthPartners dental coverage. The average age of these covered members is slightly over 39 years old, which is higher than HealthPartners' book of business at 35 years old.
- HealthPartners is putting more emphasis on diagnostic and preventive as well as basic care, which has served to reduce the amount of major care that is required.
- Roughly 60% of University members are at low risk for caries, the disease that causes cavities, while 11% are at high risk and 30% at moderate risk. With respect to periodontal disease risk, 48% of University patients' ages 18 and older are at low risk, 8% at high risk and 44% at moderate risk.
- Strategies for better care include:
 - Efficient claims administration - 74% of all claims are submitted electronically, and, given the significant number of University employees in HealthPartners Dental Group, this percentage is actually much higher).
 - Quality of care and coverage.
 - Cost control. The most significant driver of cost is disease.
 - Improving dental health through effective disease and risk management.
 - Innovative reimbursement strategy that focuses on rewarding the right kinds of care.

Next, the discussion turned to the article by Jay W. Friedman, DDS, MPH, *The Prophylactic Extraction of Third Molars: A Public Health Hazard*. Mr. Watt asked HealthPartners representatives whether the prophylactic extraction of third molars is really necessary. Dr. Flint stated he was actually surprised that this article made it through the peer review process for that particular journal. The Friedman article paints the issue as black and white when in fact it is quite gray. HealthPartners distributed copies of their Third Molar Guideline (scheduled for review this year), and encouraged the committee to engage a discussion around this issue.

HealthPartners is in the process of updating its guideline and spreading it through its network of providers. There may be a lesson to take from the medical side of healthcare when it comes to what has been done in terms of hip replacements and knee replacements. The oral surgeons in this community are very cooperative, and it was suggested that they be engaged in guideline development. Should the University be interested in changing its benefit coverage along these lines, HealthPartners would be happy to work with the University. While there are some self-insured groups that have a very restrictive policy for third molar extraction, most now have moved to a more moderate position.

In terms of the future of dental care, it was noted that it is a cottage industry with slow adoption of evidence-based care, which does not use diagnostic codes, and only minimally disease and risk management tools. In addition, an on-going shortage of dental providers is being predicted, particularly in rural areas. In the dental industry there is confusion between business and care strategies, with the business strategy focusing on high-margin elective procedures. It is anticipated that this approach will likely continue to be the focus in the foreseeable future.

Concluding their presentation, HealthPartners pointed out the overwhelming number of positive comments from University employees. Concerns voiced had to do with the HealthPartners Dental Group appointment system, which restricted a patient's ability to schedule appointments further out into the future. Work has been done to correct this problem.

Mr. Chapman asked Dr. Flint whether any organizations in their commercial book of business have a significantly different dental benefit design as it relates to dealing with how the annual max is handled. Dr. Flint stated that HealthPartners is exploring this as it relates to implants. He added that some employers have started to allow employees to carry over a certain portion of their annual maximums, but this is still very forward thinking. Discussions are also taking place around medical and dental integration.

Again, the discussion became more general and various dental procedures were discussed including the advantages and disadvantages of composite versus amalgam fillings.

Mr. Watt noted that in light of time the committee would defer its follow-up discussion as it relates to today's presentations until the February 21st meeting.

IV). Hearing no further business, Mr. Watt adjourned the meeting.

Renee Dempsey
University Senate