

# THE DENTAL BENEFITS DILEMMA: Deciphering Today's Options

Careington<sup>®</sup>  
SOLUTIONS SIMPLIFIED<sup>®</sup>

Careington<sup>®</sup>  
BENEFIT SOLUTIONS



# TODAY'S SPEAKERS



**BRUCE BERNSTEIN**

Careington

*Vice President of Strategic Markets*

Bruce Bernstein has been in the dental industry for more than 15 years and assists with the business development of Careington's increasing stateside and international ventures.



**VALERIE DEBRUIN**

Careington

*Vice President of Network Operations*

Valerie DeBruin has over 10 years of experience at Careington in sales, account management and product development, with a majority of her focus in network development.



**YI-LING LIN**

TERRY

*Principal at The Terry Group*

Yi-Ling Lin is a health care actuary and financial strategist. She is a pioneer in the development of sophisticated analytics that support organizations in navigating the new health care environment.

## OUR COMPANIES

Careington

Careington offers an enhanced benefits solution that delivers tangible savings. We are an established leader structured to design, develop and deliver industry-best products and services focused on individual health and well-being.

Careington<sup>®</sup>  
BENEFIT SOLUTIONS

Careington Benefit Solutions provides insurance products and TPA services to you and your clients with single-source, administrative and marketing services unrivaled in the marketplace today.

## OUR SPECIAL GUEST

TERRY

The Terry Group provides expert advice and analysis in health care, pensions and investments. The firm's actuaries and PhDs serve employers, health care provider organizations, insurance companies and other entities committed to the efficient delivery of quality health care and to sustainable financial security products, services and systems.





# ABOUT CAREINGTON

Careington is an established hub for enhancing benefits with over 40 years of experience in the non-insured benefits space. From a full range of non-traditional benefits to our full-scale, in-house support capabilities, Careington and our affiliate companies provide an innovative, single-source network, product and service solution.

Since 1979, Careington has remained dedicated to improving the affordability and accessibility of quality dental care. Through our dental discount plans, dental networks and expansive TPA services, we provide a single-source dental solution.



# CAREINGTON HISTORY

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1 9 7 9

Founded by two entrepreneurial dentists

1 9 9 2

Launched the discount fee-for-service dental network

1 9 9 3

Began bundling dental with other ancillary products

1 9 9 8

Launched dental PPO plans and began offering access to Careington's dental PPO networks

2 0 0 7

Began offering telehealth products and services to the marketplace

2 0 1 8

Introduced telemedicine affiliate company, DialCare, to the group and individual market

2 0 1 9

Launched the DialCare Mental Wellness Program to the group and individual market

2 0 2 0

Expanded virtual care offerings to introduce DialCare Teledentistry

# TABLE OF CONTENTS

02	Today's Speakers	12	Considerations for
03	Our Companies		Self-Funding Dental Benefits
04	About Careington	13	Fully Insured vs. Self-Funded
05	Careington's History	14	Insurance Margin
07	Discount Networks	15	Claims Risk and Cash Flow Variability
08	PPO Networks	16	Financial Analysis
09	What Are Leasing and Stacking?	17	Dental Discount Plans Vs Insurance
10	Advantages of Network Leasing	18	Dental Discounts + Insurance Case Study
11	What Are the Key Elements of Choosing a Network?	19	Conclusion & Contact

# DISCOUNT NETWORKS

Careington owns and operates several coveted discount dental networks that offer some of the deepest dental discounts in the industry with access to quality dentists and specialists in both rural and urban areas.



Broad, nationwide access to industry-best providers

Innovative, valuable products that deliver real savings

Easy-to-use and flexible programs, with immediate value

Anyone can join - no exceptions!

Visible savings with transparent fee schedules

Compatible with HSAs, FSAs and HRAs

Simple to include with current programs or benefits

Ability to accommodate groups and individuals

No limits on use or administrative forms to file

Available to all employees:

Full-time • Part-time • Seasonal • Contract • Retirees



# PPO NETWORKS

As a Preferred Provider Organization, we offer a variety of PPO dental networks and stacked network options. Many of our networks are currently leased by TPAs and national dental carriers to help fill in network gaps. We also provide network leasing opportunities for your clients' self-funded plans.



Client-focused recruiting in areas where network expansion is necessary



Member-transparent pricing with robust dental fee schedules



PPO and discount networks, which can be offered independently or in combination





# WHAT ARE LEASING AND STACKING?

## LEASING

Lease companies have contracts with dentists that allow for other organizations to access the lease network at the contracted fees established by the lease company.

## STACKING

A payer combines multiple networks (primary and/or leased) into one larger network to help service its population.

## WHY LEASE A NETWORK?

Payers and patients are seeking broader network access, and with increased state and federal adequacy standards, the need for network growth has continued to grow.



# ADVANTAGES OF NETWORK LEASING

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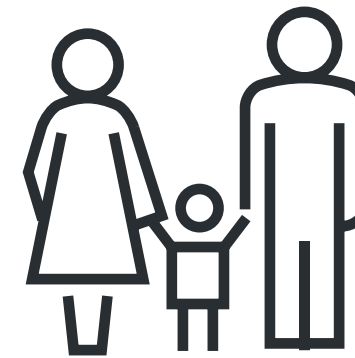


## DENTISTS

Increased patient flow  
and retention

Dental practice exposure  
through provider searches

One place to credential with  
access to many markets



## PATIENTS

Increased access to  
in-network dentists

Deeper discounts  
on treatment

Streamlined  
customer service



## PAYERS/CARRIERS

Instant in-network growth

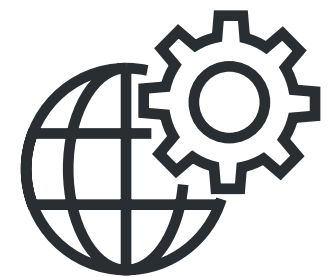
Cost containment

Assists in meeting network  
adequacy standards



# WHAT ARE THE KEY ELEMENTS OF CHOOSING A NETWORK?

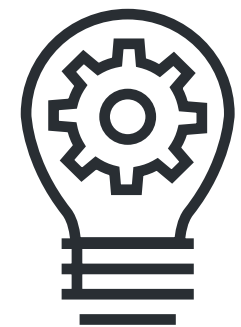
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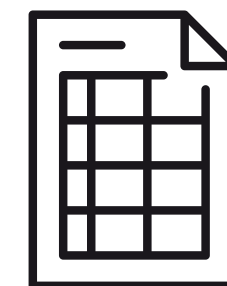
Access requirements



Level of discounts



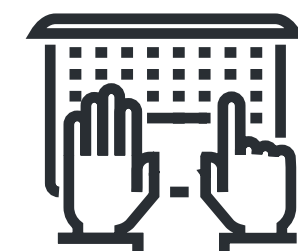
Stability of the network



Fee schedules



Ease of administration



Compliance



# CONSIDERATIONS FOR SELF-FUNDING DENTAL BENEFITS

This presentation is for discussion purposes only.

It is not an actuarial report that contains data, calculations or information that should be relied upon for other purposes.



# FULLY INSURED VS. SELF-FUNDED

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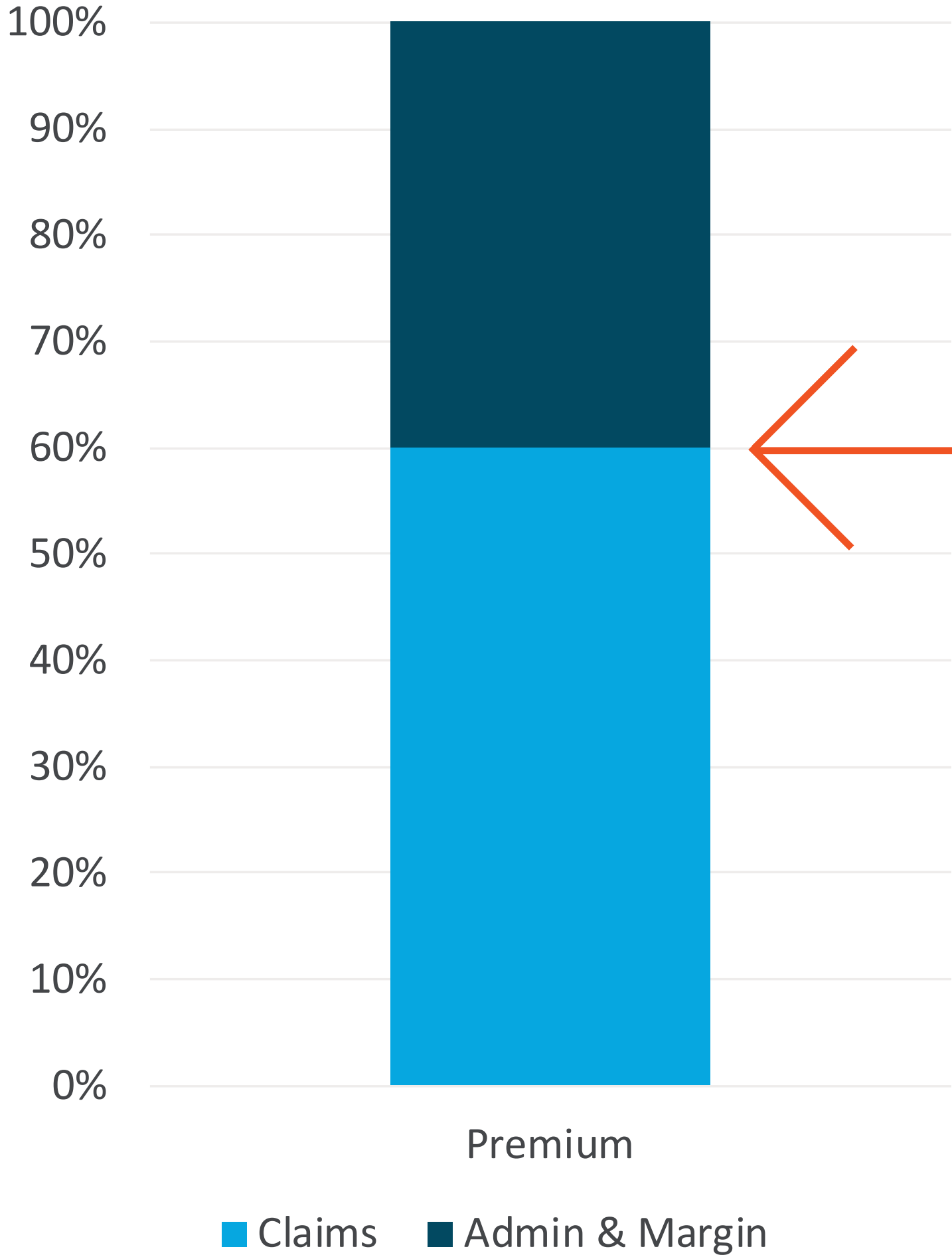
## FULLY-INSURED

- One package
  - Benefit design
  - Cost
- No regulatory headaches or vendor management
- Fixed cash flow with no surprises

## SELF-FUNDED

- Flexibility
  - Benefit design
  - Contributions/participation
  - Vendor selection
- No premium taxes or state mandates
- Claims cost + administrative fees with no margin
- Access to data

# INSURANCE MARGIN



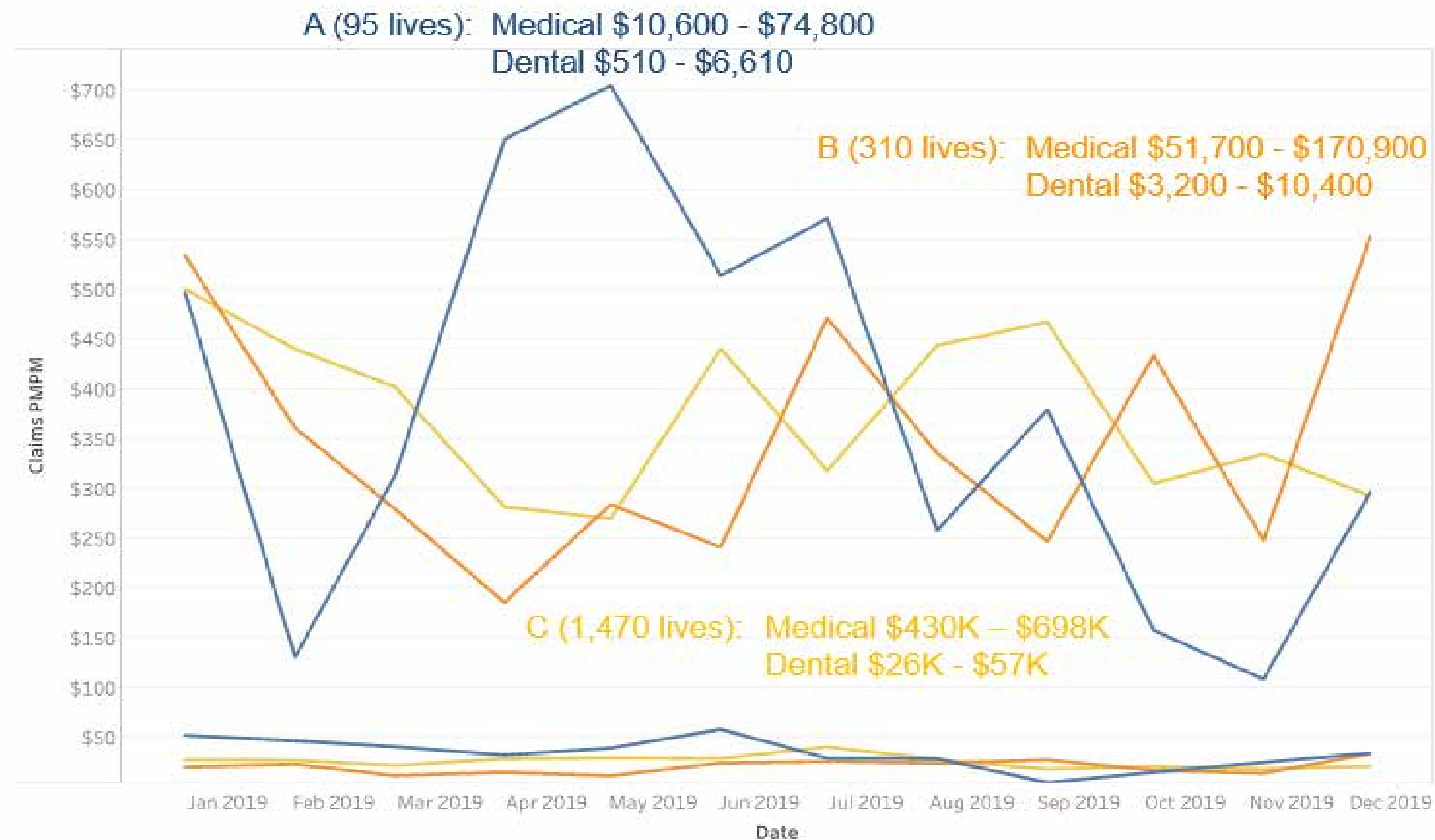
Loss Ratio =  $\frac{\text{Expected Claims}}{\text{Total Premium}}$

\$40 PREMIUM IS \$24 IN EXPECTED CLAIMS

State Minimum Loss Ratio	
None	36
50% - 59%	5
60% - 69%	4
70% or more	5



# CLAIMS RISK AND CASH FLOW VARIABILITY



# FINANCIAL ANALYSIS

Fully-Insured	
Covered Lives	100
Per Month:	
Premium PMPM	\$40.00
Annual Budget	\$48,000

Self-Funded	
Covered Lives	100
Per Month:	
Expected Claims PMPM	\$24.00
Admin Fees PMPM	\$3.50
Professional Services PMPM	\$6.00
Total	\$33.50
Annual Budget	\$40,200
Low Month (\$5 PMPM Claims)	\$1,450
High Month (\$66 PMPM Claims)	\$7,550



# DENTAL DISCOUNT PLANS VS. INSURANCE

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Our dental discount plans are affordable, non-insurance plans offering access to reduced fees on dental care services in exchange for a monthly or yearly membership.

Unlike dental insurance, with dental discount plans there are no waiting periods, copays, pre-existing condition clauses or limitations on how often you can use the plans.

Dental discount plans can be offered as a standalone option in addition to an insured plan. Dental discount plans can provide savings on dental treatment after annual maximums have been reached and on non-covered services. Together, dental discount plans and dental insurance plans complement each other to ensure maximum dental savings.

## HOW IT WORKS:

1. Sign up for a money-saving plan.
2. Search for a participating provider.
3. Schedule an appointment.
4. Show a membership card.
5. Save money at the time of service.

# DENTAL DISCOUNTS + INSURANCE CASE STUDY

## EMPLOYER DETAILS

Fortune 500 Company

## POPULATION

100,000+

## PREVIOUS DENTAL BENEFIT OFFERING

Traditional Dental PPO Plan Only

## STATUS OF THE PLAN AND HISTORY

Employees were unhappy with some of the limitations and exclusions of their current dental PPO plan. The HR Department received frequent complaints about employees reaching their annual maximums early in the plan year and expressed a need for greater savings on various treatments. In addition, retirees were not offered a company endorsed dental option.

## WHY CAREINGTON WAS INTRODUCED

Careington's plan was introduced to provide employees with an additional dental plan option that would provide savings on non-covered services and treatment once annual maximums had been met. Additionally, the plan was offered to retirees who did not have a company endorsed dental option.

## ENROLLMENT STATISTICS

**Employee Type:** As shown, many types of employees signed up for our plan.

**59% Active Working Employees**      **41% Retirees**

THE OPPORTUNITY



# DENTAL DISCOUNTS + INSURANCE CASE STUDY

## CAREINGTON PRODUCTS OFFERED

Dental Savings Plan

## ENROLLMENT

7,000+

Careington currently offers our dental savings plan as a voluntary option alongside the client's existing PPO plan. The savings plan helps current employees supplement their PPO program and provides retirees with an affordable dental option.

## CAREINGTON PLAN OFFERED

Careington Dental Savings Plan

## SAVINGS OFFERED

20% - 60% savings at thousands of participating dental offices nationwide

## CAREINGTON NETWORK ACCESS

99.4% of the total employee population reside within 30 miles of a participating Careington provider.

## ELIGIBLE EMPLOYEES

Full-time • Part-time • Retirees • Termed/Leave of absence

## ACTIVE EMPLOYEES

5% Ages Under 30  
12% Ages 30-39  
18% Ages 40-49  
40% Ages 50-59  
25% Ages 60+

## RETIREES

3% Ages 30-59    51% Ages 70-79  
27% Ages 60-69    19% Ages 80+

**Careington's simplified solutions deliver high-impact, low-cost alternatives for your clients, to ensure your product portfolio keeps pace.**

**Want to survive and thrive with Careington? Contact us today!**

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**THANK YOU!**

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