

# 2016 Annual Report

Delta Dental of Minnesota

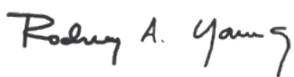


# Year in review

**“It is our core belief that everyone deserves a healthy smile.”**

As a company, the past few years have presented some notable opportunities for us to partner with like-minded organizations dedicated to providing excellent oral health to our members across Minnesota and North Dakota. 2016 was exactly the same, thanks to the ongoing commitment and skill of our providers and broker partners, and of course our exceptional team members. Our mission to provide access to quality, affordable dental care that meets our members’ needs, and our vision to improve the health, through oral health, of our communities remains the same.

It is our core belief that everyone deserves a healthy smile. 2016 was a significant year for Delta Dental of Minnesota, and we look forward to supporting even more healthy smiles in 2017. On behalf of our entire organization, I would like to thank you for your continued support and collaboration as we all strive to improve oral health and access to quality dental care for all Minnesotans.



## **Rodney A. Young**

Chief Executive Officer  
and President  
Delta Dental of Minnesota

### **In 2016, we executed our mission by:**

- Adding 157 contracted provider partners to the nation’s largest network of dentists.
- Providing the best balanced-billing protection in the industry to our 4.5 million members nationwide.
- Delivering service that resulted in a 98 percent member satisfaction rate and group retention rate.
- Supporting more than 715,000 public program enrollees in Minnesota and North Dakota.

### **Executing our mission also means investing in our communities. In 2016, we:**

- Awarded more than \$375,000 to 137 organizations that support communities across Minnesota.
- Granted more than \$462,000 to underserved Minnesota populations through our network of charitable organizations.
- Donated more than 100,000 toothbrushes.
- Implemented a brand new first-grade Smiles at School program, which provided free, fun oral health items and education to the vast majority of Minnesota’s first-graders and their teachers.
- Sponsored an employee-driven “flash philanthropy” effort which resulted in 400 new and gently used winter coats donated for children and families experiencing homelessness.
- Matched \$16,000 in employee donations to charitable organizations of their choosing throughout the state.
- Increased our company-wide United Way contributions by more than 24 percent, exceeding our increase goals in every measure.





2016 Ann K. Johnson Community Health Spirit Award recipients Judith Garcia and Lesley Tuomi of the NorthPoint Dental Team, with Foundation and Northpoint members. From left to right: Kimberly Spates, Dr. Michael Brooks, Judith Garcia, Stella Whitney-West, Lesley Tuomi, Joe Lally and Rodney A. Young.

## Delta Dental of Minnesota Board of Directors

**Douglas A. Alger**  
Secretary

**Michael W. Howe**  
Chair

**James R. Swanstrom, DDS**  
Member

**John M. Anderson, DDS**  
Member

**Deb S. Knutson**  
Member

**R. Bruce Templeton, DMD**  
Member

**Susan C. Anderson, DDS**  
Member

**Kim M. Mageau**  
Vice Chair

**Ray J. Waldron**  
Member

**John W. Bluford, III**  
Member

**Lois M. Martin**  
Treasurer

**Rodney A. Young**  
CEO and President

**Paul F. Carlson, DDS**  
Member

**John D. Somrock**  
Member

**Michael Zakula, DDS**  
Member

# Our mission

Delta Dental of Minnesota is one of the largest providers of dental insurance in the Upper Midwest. As a nonprofit, our mission is to help ensure access to quality, affordable dental care that meets our members' needs. Our ultimate goal is to improve the overall health of all Minnesotans and North Dakotans through oral health.

## Our work in 2016 included:



Extending oral health education and care to Minnesotans in underserved communities.



Supporting research that will improve oral health and overall wellness.



Delivering population management solutions for group administrators.



Promoting the importance of prevention activities to increase long-term health.

# Best-in-class service

Our members have learned to expect excellent customer service – and it's an expectation we take seriously.



Claims processed annually:  
**6,640,000**



Total calls answered:  
**1,731,278**



Average claims per day:  
**26,000**



Inquiries resolved on first call:  
**97%**



Average claim turnaround:  
**1.76 days**



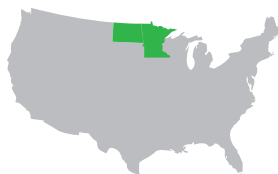
Average calls per day:  
**6,800**



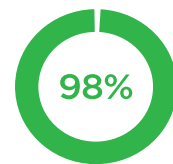
Total dental claims paid:  
**\$1,160,000,000**



Group retention:  
**98%**



**6.64 million claims processed annually in Minnesota and North Dakota**



**Member satisfaction**

# Delta Dental Difference

Superior service, unmatched dental expertise, extensive dentist networks and exceptional savings. No competitor can offer the value that we provide our members. That's the Delta Dental Difference.

## Dental expertise

4.5 million members nationwide

12 of Minnesota's 17  
Fortune 500 Companies

9,000 Minnesota and North  
Dakota-based purchasing groups

715,000 public program  
enrollees in MN & ND

34,000 Individual and Family  
Plan subscribers



## Extensive dentist networks



### 4-out-of-5 Dentists

Four out of five of the nation's  
dentists are contracted with  
Delta Dental.



### Largest National Networks

Largest network of dentists  
in Minnesota serving public  
program enrollees.



### Largest Networks

90% of Minnesota's licensed,  
practicing dentists are part  
of our networks.

Participating Dentists in Minnesota  
and North Dakota:

Delta Dental Premier®: 3,126

Delta Dental PPO<sup>SM</sup>: 1,916

## #1 savings

Combined, our Delta Dental PPO<sup>SM</sup> and Delta Dental Premier®  
networks rank\* No. 1 in overall total effective discount in Minnesota.

\*Per Ruark Consulting, an independent consulting firm that annually measures and  
analyzes 21 of the nation's leading competitive dental networks.



# Investing in our community

Delta Dental has been part of the Minnesota community since 1969. Since we were established, our mission to help improve the oral health of all Minnesotans and North Dakotans has remained unchanged. We know that stronger, healthier communities start with those willing to make investments where it matters the most. That's why we prioritize community investment in two ways:



## Corporate Philanthropy



## Delta Dental of Minnesota Foundation

### Corporate philanthropy

We believe everyone deserves a healthy smile. In 2016, we:

- Gave more than \$837,000 in grants, sponsorships and product donations to organizations and programs that support Minnesota communities.
- Matched \$16,000 in employee contributions to local nonprofit organizations.
- Gave \$100,000 to the Citizens League to support its Calling Home: Healthy Aging initiative, which engages seniors in learning how to stay healthy and active in their home and community.
- Gave \$10,000 to the Sanneh Foundation to make possible their free youth activities for kids in need, and provided \$7,000 in oral health supplies for participants.

### Delta Dental of Minnesota Foundation

Delta Dental of Minnesota Foundation works to expand access to dental care for Minnesota's underserved populations across the state by primarily investing in programs and organizations that provide dental care to people in need. Among other efforts, in 2016 the foundation:

- Invested \$3.58 million in programs and organizations that promote oral health.
- Saw progress as our \$4.6 million grant to fund a new oral health clinic at Hennepin County Medical Center went to work as construction on the building, expected to open in 2018, continued. The clinic will provide dental care to more than 27,000 Minnesotans in need.
- Granted nearly \$1 million to help build a new dental clinic in Rochester, expanding access to dental care for Southeastern Minnesota residents with the most need.
- Established scholarship programs at Normandale Community College and the University of Minnesota to support the practice of dental therapy in underserved areas.
- Provided oral health kits and education to nearly every Minnesota first-grader, and funded dental sealants and varnishes for thousands of elementary students.

Delta Dental of Minnesota gave \$10,000 to the Sanneh Foundation to make possible their free youth activities for kids in need, and provided \$7,000 in oral health supplies for participants.



In July, 180 bicyclists took to the roads of Minnesota for a four-day ride to raise funds and awareness to support Minnesota AIDS service organizations. We were happy to give \$10,000 to the event, which raised \$585,000, in addition to sponsoring our own employee rider and providing oral health supplies for participants and onlookers.



Delta Dental of Minnesota was the title sponsor of Life Time Fitness's Turkey Day 5k in 2016. More than 10,000 runners picked up Delta Dental gloves at the starting line on the chilly Thanksgiving Day, and received toothbrushes and toothpaste at the finish line.



In a "Flash Philanthropy" event, Delta Dental of Minnesota employees were each given \$50 to purchase winter coats for People Serving People, the region's largest and most comprehensive family-focused homeless shelter. By the end of the challenge, the team had collected almost 400 coats, plus several large bags of gloves and mittens for donation.



# Reaching our neighbors

## Delta Dental votes

Three times each year, we give our employees the chance to vote for a charitable organization to receive a surprise financial gift from Delta Dental of Minnesota. Team members across the company cast their ballot, and the following organizations were granted \$2,500 to address local community needs. The 2016 winners included the Greater Twin Cities Crisis Nursery, Sharing and Caring Hands, and Store to Door.



## Arrowhead Region Food Shelf fundraiser

In December, Delta Dental of Minnesota sponsored the annual Stock the Shelves Arrowhead Region Food Shelf Fundraiser, organized by Minnesota State Senator Tom Bakk to benefit Hunger Solutions Minnesota. Each year, the event raises more than \$100,000 for food shelves across Minnesota's Arrowhead Region.

## Gillette Children's Dental Clinic

Dental services are a critical part of emergency procedures, yet are often difficult to find in hospital settings. That's why, in prior years, Delta Dental of Minnesota Foundation contributed \$250,000 to help build a dental clinic at Gillette Children's Hospital. In 2016, our corporation was thrilled to contribute another \$20,000 to help fund a dental hygienist position at the same clinic, allowing them to see more patients and provide more care. With this support, the clinic grew their services by 400 visits per year, and we expect that to increase by another 700 in 2017 thanks to the additional hygienist.

## Supporting parent empowerment at Native American schools

Statistically, Native Americans suffer from the poorest oral health of any population in the United States, with staggering rates of untreated tooth decay among children and untreated decay and gum disease among adults. In 2016, Delta Dental of Minnesota granted \$10,000 to the Children's Defense Fund in support of their Bridges to Benefits program, with a goal to educate on oral health and connect those in need to public programs. The grant funded parent oral health education events at three Freedom schools in Minneapolis, with materials customized in Ojibwe and Dakota.

Joe Lally, VP of Government and Community relations, delivers a donation to Mary Jo Copeland of Sharing and Caring Hands

# 2016 operations and balance

## Statements of Operations

Premium Revenue	\$1,233,941,593
Dental Administrative Fees	\$102,364
Investments and Other Income	\$9,048,324

<b>Total Revenue</b>	<b>\$1,243,092,281</b>
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Dental Service Claims	\$1,136,947,384
Operating Expenses	\$117,322,616

<b>Total Expenses</b>	<b>\$1,254,270,000</b>
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Revenue under Expenses	\$11,177,719
Decrease in Other Comprehensive Income	\$1,127,167

<b>Reserve, Beginning of the Year</b>	<b>\$196,541,141</b>
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<b>Reserve, End of the Year</b>	<b>\$172,236,255</b>
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## Balance Sheet

Cash & Cash Equivalents	\$32,454,280
Investments	\$211,488,802
Accounts and Note Receivable	\$78,286,485
Property and Equipment, net	\$3,432,339

<b>Total Assets</b>	<b>\$325,661,906</b>
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Dental Service Claims	\$104,331,718
Payables	\$1,823,583
Accrued Expenses	\$1,579,291
Deferred Revenue & Group Refunds	\$4,281,307
Due to Affiliates	\$41,409,752

<b>Total Liabilities</b>	<b>\$153,425,651</b>
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Fund Balance & Members Equity	\$171,957,072
Accumulated Other Comprehensive Income	\$279,183

<b>Total Equity</b>	<b>\$172,236,255</b>
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<b>Total Liabilities and Equity</b>	<b>\$325,661,906</b>
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Delta Dental of Minnesota

[DeltaDentalMN.org](http://DeltaDentalMN.org)

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