

**CLARK COUNTY
STAFF REPORT**

DEPARTMENT: Human Resources
DATE: December 17, 2014
REQUEST: Approval to renewal of the
Delta Dental of Washington contract
CHECK ONE: X Consent CAO

BACKGROUND

The Delta Dental of Washington (formerly WDS) contract renewal represents an increase of 6.88% due to utilization of the plan. Current enrollment is approximately 890 employees. No plan changes were made for 2014.

COMMUNITY OUTREACH

Community outreach was not a consideration in this matter.

BUDGET AND POLICY IMPLICATIONS

This cost increase has already been factored in to the 2013-2014 biennial budget.

FISCAL IMPACTS

Yes (see attached form) No

ACTION REQUESTED

Approve Contract Amendment to renew the Delta Dental of Washington contract renewal for plan year 2014.

DISTRIBUTION

Kathy Meyers, Benefits Manager



Francine Reis
Human Resources Director

Approved: 

CLARK COUNTY
BOARD OF COMMISSIONERS
DEC 17, 2013 SR 275-13

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Article I — Definitions

For the purpose of this Contract, the following definitions shall apply:

- 1.01 "Benefit Period" means the period beginning January 1 and ending December 31.
- 1.02 "Certificate of Coverage" means the benefits booklet which describes in summary form the essential features of the contract coverage, and to or for whom the benefits hereunder are payable. In the event that contracts are changed or amended, new certificates or a clearly understandable benefit booklet insert to existing certificates shall be furnished. The Certificate of Coverage is incorporated into this contract by this reference as if the contents thereof were fully set out herein.
- 1.03 "Contract" means this agreement between DDWA and Group. This Contract constitutes the entire Contract between the parties and supersedes any prior agreement, understanding or negotiation between the parties.
- 1.04 "Covered Dental Benefit" means those dental services that are covered under this Contract, subject to the Limitations set forth in the Certificate of Coverage.
- 1.05 "DDWA" means Delta Dental of Washington, a nonprofit corporation incorporated in Washington State. DDWA is a member of the Delta Dental Plans Association.
- 1.06 "Delta Dental" means Delta Dental Plans Association, a nationwide non-profit organization of dental benefit carriers offering a range of group dental benefit plans.
- 1.07 "Delta Dental PPO Dentist" means a Participating Dentist who has agreed to render services and receive payment in accordance with the terms and conditions of a written Delta Dental PPO Participating Dentist Agreement, which includes looking solely to Delta Dental for payment for covered services.
- 1.08 "Delta Dental Participating Dentist" means a licensed Dentist who has agreed to render services and receive payment in accordance with the terms and conditions of a written Delta Dental Participating Dentist Agreement, which includes looking solely to Delta Dental for payment for covered services.
- 1.09 "Dentist" means a licensed dentist legally authorized to practice dentistry at the time and in the place services are performed. This Contract provides for covered services only if those services are performed by or under direction of a licensed Dentist or other Licensed Professional. A Dentist does not mean a dental mechanic or any other type of dental technician.
- 1.10 "Eligibility Date" means the date on which an Eligible Person becomes eligible to enroll in the Plan as detailed in Appendix A or B.
- 1.11 "Eligible Dependent" means any dependent of an Eligible Employee who meets the conditions of eligibility set forth in Appendix B.
- 1.12 "Eligible Employee" means any employee who meets the conditions of eligibility set forth in Appendix A.
- 1.13 "Eligible Person" means an Eligible Employee or an Eligible Dependent.
- 1.14 "Enrolled Dependent", "Enrolled Employee", or "Enrolled Person" means any Eligible Dependent, Eligible Employee or Eligible Person, as applicable, who has completed the enrollment process and for whom Group has submitted the monthly Premium to DDWA.
- 1.15 "Filed Fee" means the approved fee accepted by DDWA for a specific dental procedure performed by a Delta Dental Participating Dentist submitting that fee and performing the dental service.
- 1.16 "Group" means the employer or entity that is contracting for dental benefits for its employees in this Contract.
- 1.17 "Licensed Professional" means an individual legally authorized to perform services as defined in their license. Licensed Professional includes, but is not limited to, denturists, hygienists, and radiology technicians.
- 1.18 "Maximum Allowable Fee" means the maximum dollar amount that will be allowed toward the reimbursement for any service provided for a Covered Dental Benefit.

- 1.19 "Nonparticipating Dentist" means a licensed Dentist who has not agreed to render services and receive payment in accordance with the terms and conditions of a written Participating Dentist Agreement between a member of the Delta Dental Plans Association and such Dentist.
- 1.20 "Open Enrollment Period" means the annual period in which Eligible Employees can select benefits Plans and add or delete Eligible Dependents.
- 1.21 "Participating Plan" means Delta Dental of Washington and any other member of the Delta Dental Plans Association with which Delta Dental contracts to assist in administering the Benefits described in this Contract.
- 1.22 "Payment Level" means the applicable percentage of Maximum Allowable Fees for Covered Dental Benefits that shall be paid by DDWA as set forth in Appendix C.
- 1.23 "Plan" means this Contract that provides dental benefits. Any other Contract that provides dental benefits and meets the definition of a "Plan" in the "Coordination of Benefits" section of the Certificate of Coverage is a plan for the purpose of coordination of benefits.
- 1.24 "Premium" means the monthly amount payable by Group as designated in Appendix D.

Article II — Eligibility

- 2.01 Every person who meets the conditions of eligibility as set forth in Appendix A or Appendix B is eligible for enrollment in this Plan.
- 2.02 Group shall submit a list of Enrolled Persons to DDWA prior to the beginning of each monthly eligibility period.

Article III — Monthly Payment

- 3.01 The monthly Premium, to be remitted fully by Group, is determined as set forth in Appendix D. Group is required to contribute a portion of the Enrolled Employee Premium with the Enrolled Employee contributing the balance and any portion of the Enrolled Dependent Premium not covered by Group. The only exception to this is the County who allows employees of Affiliated Agencies to participate in their plans. These agencies may not require their employees to pay for a portion of the premiums because they do not fall directly under County policy.
- 3.02 Premiums shall be paid to DDWA on the first day of each calendar month for which benefits are to be provided. No person shall be entitled to benefits under this Contract during any month for which Premium payment has not been received by DDWA.
- 3.03 Payment of Premium is due on or before the first day of the month by Electronic Funds Transfer (EFT) unless other specific payment methods are approved by DDWA. Group will pay the full amount invoiced. If Group objects to any portion of an invoice, Group will notify DDWA prior to the payment due date and specify the amount and cause of the dispute. Group will pay any undisputed amounts in a timely manner. Any disputed amounts will be resolved by direct negotiation between DDWA and Group.
- 3.04 If payment is not received within 30 days, DDWA may give written notice that payment is due and may, at its option, terminate all benefits and be released from all further obligations as set forth in Article IX entitled "Notice and Termination."
- 3.05 DDWA shall accept retroactive additions to eligibility (payments) that are received by DDWA within 60 days of the requested effective date.
- 3.06 DDWA shall accept retroactive terminations of eligibility (credits) that are received by DDWA within 60 days of the requested termination date, or to the end of the month of the last paid claim of termed Enrolled Person, whichever is later.
- 3.07 DDWA shall not be obligated to refund paid claims for treatment from providers when the treatment was performed in good faith that eligibility was current and accurate at the time of treatment.

- 3.08 Legislative Surcharge Clause. If any governmental unit imposes any new tax or assessment or increases the rate of any current tax or assessment that is measured directly by the payments made to DDWA by Group, then DDWA is authorized to increase the monthly Premium by the amount of such new tax, assessment or increase.
- 3.09 The Premium payable by Group under this Contract is based upon Group's number of Enrolled Employees and Enrolled Dependents. In the event the number of Enrolled Employees reported in each of three consecutive months by Group shall be less than 300, DDWA may:
- 1) Terminate this Contract; or
 - 2) Propose to Group an adjustment in Premium, Covered Dental Benefits or Payment Levels and the effective date of such adjustment.
- 3.10 If Group fails to agree to proposed adjustment, within 30 days, DDWA may terminate this Contract at the end of the month for which Premium had been received by DDWA prior to the date of such notice to Group. In the event DDWA terminates this Contract in accordance with the provisions of this paragraph, the provisions of Article IX entitled "Notice and Termination" shall apply.

Article IV — Benefits Provided, Limitations and Exclusions

- 4.01 Covered Dental Benefits, Limitations and Exclusions are as described in the Certificate of Coverage and are subject to the Plan maximum and deductible, as described in Appendix C.
- 4.02 The percentages of the Maximum Allowable Fee, Filed Fee or the Dentists' actual charges payable by DDWA for Covered Dental Benefits provided to an Enrolled Person are described in Appendix C.
- 4.03 Payment for services provided by a Delta Dental Participating Dentist shall be made directly to the Dentist. Contracts between Delta Dental and its Delta Dental Participating Dentists provide that, if Delta Dental fails to pay the dentist, the Enrolled Person shall not be liable to the dentist for any sums owed by Delta Dental.

Article V — Conditions for Benefits — Dispute Determination Procedures

- 5.01 Covered Dental Benefits are available for an Enrolled Person from the enrollment date until such enrollment terminates.
- 5.02 An Enrolled Person may elect the services of any licensed Dentist. DDWA is not responsible for availability of any particular licensed Dentist.
- 5.03 DDWA shall be entitled to receive from any attending Dentist, or from hospitals in which a Dentist's care is rendered, any records relating to treatment rendered to an Enrolled Person as may be required in the administration of claims.
- 5.04 Provider dispute resolution process is available as outlined in individual provider contracts.
- 5.05 To determine Covered Dental Benefits for certain treatments, DDWA may require an Enrolled Person to obtain an examination from a DDWA-appointed consultant Dentist. DDWA will pay 100 percent of the charges incurred for the examination.

Article VI — DDWA's Obligations

- 6.01 DDWA will issue to Group an electronic version of the Certificate of Coverage for this Plan in the form of a standard DDWA benefit booklet, which summarizes the Covered Dental Benefits and other essential features of the Plan. If any amendment to this Contract materially affects any benefits described in such booklets, electronic versions of corrected booklets or booklet inserts showing the change will be issued to Group. A new booklet shall be created upon initial inception of the Contract and every other year thereafter. An insert will be created and sent in the year in which a booklet is not produced to inform Enrolled Person of any Plan changes.

- 6.02 If requested, DDWA will provide to Group one printed booklet for each employee enrolled in the Plan, plus an additional 10 percent for a reserve supply. Group will reimburse DDWA for any additional costs due to variation in booklet size or paper requested by Group. DDWA will have booklets delivered to Group within 15 business days after receipt of a signed booklet approval form from Group. If a signed booklet approval form is not returned to DDWA by Group, printed booklets will not be provided.
- 6.03 DDWA shall provide descriptions of predetermination, claim review, and complaint and appeal procedures in the benefit booklets issued to Group.
- 6.04 If a Dentist or an Enrolled Person requests a predetermination of benefits, DDWA will provide a predetermination of benefits for the Enrolled Person. Such predetermination of benefits will be valid for a reasonable period of time, but no longer than such person's period of eligibility. Predeterminations are not an authorization for services but a notification of Covered Dental Benefits available and are not a guarantee of payment.
- 6.05 DDWA shall not be obligated to make payment for any services rendered to a person who is not an Enrolled Person at the time the services were performed.
- 6.06 DDWA may provide professional review of the adequacy and appropriateness of services rendered to Enrolled Persons through its Quality Management and Clinical Review processes.
- 6.07 DDWA shall provide Delta Dental Participating Dentist Directories to Group. This directory is also available on-line at www.DeltaDentalWA.com. It is understood that the composition of such directory is subject to change. DDWA reserves the right to change the directory without notice. Each Enrolled Person is free to select a Dentist of his or her choice. DDWA shall not be held liable for any act or omission on the part of the selected Dentist. Nothing contained in this Contract shall be construed as obligating DDWA to render dental services; its sole obligation being to pay the agreed-upon portion of Dentist's charges for Covered Dental Benefits in accordance with the terms of this Contract.

Article VII — Group's Obligations

- 7.01 Group shall provide information to all Enrolled Employees as to the existence and terms of this Contract. Group shall make available to each Enrolled Employee, booklets summarizing the Covered Dental Benefits and other essential features of the Plan.
- 7.02 If Group elects to prepare and print its own summary plan description, it does so at its own risk and expense. The Group-prepared summary plan description must be based on the most current benefit booklet provided by DDWA, and will be for informational purposes only, not incorporated into this Contract. Group will provide DDWA with a copy of any summary plan description that is distributed to Enrolled Employees in lieu of the Certificate of Coverage provided by DDWA. Group is responsible for assuring the accuracy of any summary plan description that it elects to prepare and distribute. DDWA is not obligated to review or approve any summary plan description prepared by Group, and will not provide any warranty for the content of the Group-produced summary plan description.
- 7.03 Group shall permit DDWA, at DDWA's expense, on reasonable advance written notice, to inspect eligibility records in order to verify the accuracy of information submitted to DDWA. An equitable adjustment of Premium shall be made in the event of inadvertent clerical errors or delays in reporting eligibility.
- 7.04 Group shall sign and return any and all Contract documents within 30 days of the effective date or the date DDWA mails the Contract document to Group or its authorized representative or agent, whichever is later.
- 7.05 If a signed Contract or any changes affecting the Contract provisions are not received by DDWA from the Group or the Group's legal representative(s) within 30 days following the effective date or the date DDWA mails the contract to Group or its authorized representative or agent, whichever is later, but Group remits the first month's Premium, the group will be deemed by DDWA to have agreed to the terms of this Contract as stated, including acceptance of rates, Contract language and provisions. In such cases, DDWA will process claims on the effective date according to these Contract provisions.

Article VIII — General Provisions

- 8.01 No change in this Contract shall be valid unless evidenced by written amendment signed by an authorized representative or agent of DDWA and an authorized representative or agent of Group.
- 8.02 Legal action to recover benefits provided for in this Contract may not be initiated prior to 60 days after receipt of claim by DDWA. In addition, such legal action must commence within six years from the date the claim was received by DDWA.
- 8.03 Any provision of this Contract that is in conflict with any governing law or regulation of the state of Washington is hereby amended to comply with the minimum requirements of such law or regulation.

8.04 Indemnification

DDWA shall indemnify and hold harmless Group, its affiliates and their respective directors, officers, employees and agents, for that portion of any liability, settlement and related expense (including reasonable attorneys' fees) resulting solely and directly from DDWA's breach of this Agreement, negligence, willful misconduct, criminal conduct, fraud or its breach of a fiduciary responsibility related to or arising out of this Agreement.

Group shall indemnify and hold harmless DDWA, its affiliates and their respective directors, officers, employees and agents, for that portion of any liability, settlement and related expense (including reasonable attorneys' fees) resulting solely and directly from Group's breach of this Agreement, negligence, willful misconduct, criminal conduct, fraud or its breach of a fiduciary responsibility related to or arising out of this Agreement.

8.05 Force Majeure

In the event DDWA is unable to perform its obligations hereunder by reason of fire, casualty, lockout, strike, labor condition, riot, war, act of God or by ordinance, law, order or decree of any legally constituted authority, then this Contract may, at the option of DDWA, be suspended. During any period of suspension, DDWA shall not be required to perform any service hereunder, nor shall DDWA be liable for any damages arising from any event that precipitated the suspension. If this Contract is suspended pursuant to this provision, Group's obligation to make Premium payments shall also be suspended for the same period of time.

- 8.06 DDWA and Group will act in accordance with applicable state and federal privacy requirements and disclosure requirements, such as the Gramm-Leach-Bliley Act (GLBA) and the Health Insurance Portability and Accountability Act (HIPAA), including any applicable regulations.
- 8.07 For the purposes of this contract, the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to domestic partnerships or individuals in domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage shall apply equally to domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. Where necessary, gender-specific terms such as husband and wife used in any part of this contract shall be construed to be gender neutral, and applicable to individuals in domestic partnerships.

Article IX — Notice and Termination

- 9.01 Any notice under this Contract shall be sufficient if given by either Group or DDWA by regular mail to the other addressed to the office stated on the front page of this Contract or to such other address as may be designated by written notice to the other.
- 9.02 This Contract may be terminated effective at the end of the term by either Group or DDWA, by either party giving written notice to the other at least 30 days prior to the end of the Contract term, except as otherwise provided in Article III or this Article IX.

- 9.03 Upon default by Group in any of its obligations hereunder, DDWA may elect to terminate this Contract, effective at the end of the month for which Premiums have been received by DDWA prior to the time of such election, by giving written notice thereof to Group. If DDWA elects to so terminate because of default by Group, then Group shall be indebted to and agrees to pay DDWA the sum of all claims payments and expenses incurred for dental services rendered from the date of default until the date of termination, including costs of recovery.
- 9.04 If on termination of this Contract, Group has paid Premium to DDWA applicable to a period of time after the termination date, DDWA shall, within 30 days after termination, return such portion of Premium to Group less any amounts due to DDWA.
- 9.05 Acceptance by DDWA of the proper amount of Premium, after termination of this Contract and without requiring a new application, shall reinstate the Contract as though it had never terminated, unless DDWA shall, within five business days of receipt of such payment, either:
- 1) Refund the payment so made, or
 - 2) Issue to Group a new Contract accompanied by written notice stating clearly those respects in which the new Contract differs from the terminated Contract in benefits, coverage or otherwise.
- 9.06 Upon termination of this Plan, all expenses incurred prior to the termination of the Plan, but not submitted to DDWA within six months after the date of such treatment will be excluded from any benefit consideration.

Article X — List of Appendices

- 10.01 The attached appendices are a part of this Contract. Appendices are identified as follows:
- Appendix A — Employee Eligibility Requirements
 - Appendix B — Dependent Eligibility Requirements
 - Appendix C — Method of Payment
 - Appendix D — Group's Financial Obligations

Appendix A. Employee Eligibility Requirements

Section A Definition of Eligible Employee

An Eligible Employee is an employee of Group who meets the requirements for eligibility in this Appendix A.

A full-time employee is a regular or project employee whose FTE is 20 hours or more per week.

Eligible Employees are Enrolled Employees after fully completing the enrollment process, including payment of Premium by Group to DDWA.

Section B Effective Date of Coverage

Eligible Employees are eligible to enroll in this Plan on the effective date of this Contract.

An employee hired after the effective date of this Contract shall become eligible to enroll in this Plan on the first day of the calendar month following 90 calendar days of employment.

DDWA will waive the waiting period for eligibility to enroll in this Plan for an employee hired after the effective date of this Contract and who is transferring into the Plan from any other dental plan. Enrollment for such employee must be completed within 30 days of said transfer and the employee must have been eligible for benefits under the prior dental plan in the month coinciding with or immediately preceding the month of transfer. The effective date of coverage for such employee shall be the first day of the calendar month following enrollment. Notification of previous coverage is required at the time of enrollment.

Section C Continuation of Coverage

An employee shall continue to be eligible to enroll in this Plan during the time this Contract is in effect as long as the employee remains an Eligible Employee. An Enrolled Employee shall continue to be enrolled as long as the Group has made timely payment of the monthly Premiums on behalf of the Enrolled Employee to DDWA.

While satisfying the various requirements of the FMLA and COBRA laws rests primarily with the Group, DDWA will fully cooperate with Group in complying with these laws.

Section D Termination of Coverage

An employee shall cease to be eligible to enroll or cease to be enrolled in the Plan at the end of the calendar month in which the employee ceases to be an Eligible Employee or upon termination of this Contract, whichever occurs first. An Enrolled Employee shall cease to be enrolled at the end of the calendar month in which the Enrolled Employee ceases to be an Eligible Employee, or at the end of the calendar month for which Group has made the last timely payment of the monthly Premiums on behalf of the Enrolled Employee to DDWA, or upon termination of this Contract, whichever occurs first.

Section E Enrollment Requirements

This Contract requires 100 percent enrollment of all Eligible Employees unless enrolled in another dental Plan.

Each Eligible Employee must complete the enrollment process. DDWA must receive the completed enrollment information within 60 days of the employee's Eligibility Date. If the enrollment information is not received within 60 days, enrollment will not be accepted until the next Open Enrollment Period.

Appendix B. Dependent Eligibility Requirements

Section A Definition of Eligible Dependent

An Eligible Dependent is a dependent of an Eligible Employee who meets the requirements for eligibility under this Appendix B.

Dependent eligibility validation documentation and information shall be maintained and verified by Group.

Eligible Dependents are Enrolled Dependents after fully completing the enrollment process, including payment of Premium by Group to DDWA.

Section B Effective Date of Coverage

An Eligible Dependent shall become eligible to enroll in this Plan on the date the Eligible Employee becomes eligible to enroll in this Plan, or on the first day of the calendar month following the month in which such person became an Eligible Dependent of the Eligible Employee.

Section C Continuation of Coverage

A dependent shall continue to be eligible to enroll in this Plan while this Contract is in effect as long as the dependent remains an Eligible Dependent of an Eligible Employee. An Enrolled Dependent shall continue to be enrolled as long as the Group has made timely payment of the monthly Premiums on behalf of the Enrolled Employee to DDWA.

While satisfying the various requirements of the FMLA and COBRA laws rests primarily with the Group, DDWA will fully cooperate with Group in complying with these laws.

Section D Termination of Coverage

An Eligible Dependent shall cease to be eligible to enroll or cease to be enrolled in this Plan at the end of the calendar month during which the employee ceases to be an Eligible Employee or the person no longer meets the definition of an Eligible Dependent, whichever occurs first. An Enrolled Dependent shall cease to be enrolled at the end of the calendar month in which the Enrolled Employee ceases to be enrolled, at the end of the calendar month for which Group has made timely payment of the monthly Premiums on behalf of the Enrolled Employee to DDWA, or upon termination of this Contract, whichever occurs first.

An Enrolled Employee may terminate coverage of an Enrolled Dependent only coincident with a subsequent renewal or extension of this Plan. Once an Enrolled Employee terminates such Enrolled Dependent's coverage, the coverage cannot be reinstated, unless there is a change in family status as defined in the Special Enrollment Period section of the Certificate of Coverage.

Section E Enrollment Requirements

This Contract requires 100 percent enrollment of all Eligible Dependents unless the Eligible Dependent is enrolled in another dental plan.

If a new Eligible Dependent is not enrolled in this Plan pursuant to the rules set forth in this Contract, such Eligible Dependents shall not be eligible for enrollment in this Plan during the then-current contract term. Such person may enroll during any Open Enrollment Period or during a Special Enrollment Period as defined in the Certificate of Coverage.

Appendix C. Method of Payment

Section A Constant Payment Plan

Fees for Covered Dental Benefits provided to an Enrolled Person are based on the following:

- A Delta Dental PPO Dentist in the state of Washington, based on the lesser of the Dentist's allowable PPO fees, or such Dentist's actual charges
- A Delta Dental PPO Dentist outside of the state of Washington, based on the lesser of that state's allowable PPO fees or the Dentist's actual charges
- A Delta Dental Premier Dentist in the state of Washington, based on the lesser of the Dentist's approved Premier fees, or such Dentist's actual charges
- A Delta Dental Premier Dentist outside of the state of Washington, based on the lesser of that state's allowable Premier fees, or such Dentist's actual charges
- A Nonparticipating Dentist in the state of Washington based on the lesser of Delta Dental's Maximum Allowable Fees for Nonparticipating Dentists, or such Dentist's actual charges
- A Nonparticipating Dentist outside the state of Washington based on the lesser of Delta Dental's Maximum Allowable Fees for Nonparticipating Dentists in that state, or such Dentist's actual charges

The percentages of the above-indicated fee payable by DDWA for Covered Dental Benefits are as follows:

Covered Dental Benefits	Delta Dental PPO Dentists	Delta Dental Premier Dentists
	Dentists outside of Washington State	Nonparticipating Dentists in Washington State
Class I	100 percent	100 percent
Class II	90 percent	80 percent
Class III	50 percent	50 percent
Orthodontic	50 percent	50 percent
Accidental Bodily Injury	100 percent	100 percent

Section B Plan Maximum

The maximum amount payable by DDWA for Class I, II and III Covered Dental Benefits (including Dental Accident Benefits) per Enrolled Person during each Benefit Period shall be \$1,750. Charges for dental procedures requiring multiple treatment dates shall be considered incurred on the date the service is completed. Amounts for such procedures shall be applied to the Plan maximum based on such incurred date.

The lifetime maximum amount payable by DDWA for Orthodontic Benefits provided to an Enrolled Person shall be \$1,500.

Section C Plan Deductible

DDWA is not obligated to pay the deductible, defined as the first \$25 of fees for Covered Dental Benefits received by an Enrolled Person during each Benefit Period. The total deductible amount for a family which includes an Enrolled Employee and one or more Enrolled Dependents will not exceed three times the individual deductible or \$75 during each Benefit Period. Once the maximum deductible per family has been satisfied, no further deduction will apply to any Enrolled Person in that family until the next succeeding Benefit Period. The deductible does not apply to Class I Covered Dental Benefits, Orthodontic Benefits or Accidental Injury Benefits.

Appendix D. Group's Financial Obligations

Section A Monthly Premium

The monthly Premium for each Enrolled Person payable by Group under this Contract is:

Employee Only (EMP)	\$	51.92
Employee & One Dependent (E1D)		97.96
Employee & Two or More Dependents (E5D)		151.60

Section B Retention Accounting

DDWA shall retain the following percentage of the Premium payable to DDWA as retention: 12.1 percent.

In the event the average number of Enrolled Employees actually reported in any of three consecutive months is less than the statistical base used by DDWA in determining the rate of this retention, DDWA may, at its election, increase the rate of its retention to a rate which is applicable to the statistical base for the average number of Enrolled Employees actually reported during such three month period. The original retention rate or any subsequent recalculation will be effective as of the effective date of this Contract.

Group #: 00576 Original Issue Date: August 1, 1989

For the purpose of this retention accounting only, this Contract, and all previous contracts for this Plan issued to the Group identified by the Group #00576 above beginning on the Original Issue Date, including all renewals and amendments thereto, shall constitute one continuous Plan. In accounting to Group, DDWA will calculate Premium payments, claims expense and administrative expense without segregation between any periods or timeframes. At the final termination of this Plan, including any renewals or extension of this Contract, any amount remaining in the retention shall be refunded to group. In the event that DDWA shall have a favorable claims and administrative experience in connection with this Contract, then Group shall be entitled to a refund for unexpended Premium determined as follows:

1. At the end of the term of the Contract, DDWA will refund to Group the amount of any "unexpended Premium" as that term is hereinafter defined.
2. "Unexpended Premium" shall mean the excess, if any, of Premium received from Group during the applicable contract term, reduced by the sum of the following:
 - a. Amounts payable for dental services furnished to Enrolled Persons during such term.
 - b. An amount necessary to provide an allowance for incurred claims for dental services performed but not paid for by DDWA during such term, which reasonably reflects DDWA's unpaid claim obligations under the Contract.
 - c. An amount equal to 12.1 percent of the total Premium payable to DDWA from Group during such term.

As an alternative to the refund described above, Group may elect to leave the unexpended Premium in a rate stabilization fund held by DDWA.