

May 5, 2011

Subject: Washington Dental Service/Delta Dental Lowers Dentist Reimbursements

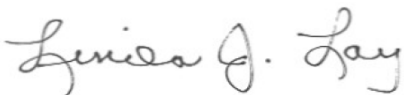
As you might be aware, in early April we notified our member dentists that we will reduce Delta Dental Premier and Delta Dental PPO reimbursements for providers in the state of Washington effective June 15, 2011. As the market leader, we took this action in response to expectations from brokers and employers for lower costs, coupled with the fact that dental fees in the state of Washington are among the highest in the country. Ultimately, the true beneficiary from this action is the patient because we are reducing cost, the major barrier to obtaining care and maintaining oral and overall health. Benefits from WDS are not changing as a result of this action.

The reaction from dentists so far is within our expectations. While some have decided to leave our network, our overall network size continues to grow versus 2010 and remains the largest network of participating dentists in the state. With this reduction in reimbursement, our goal is to offer the best effective discount and treatment costs while reimbursing dentists at a competitive rate. Effective discount takes into consideration the depth of the provider discount as well as the proportion of patients accessing in-network providers.

We will be mailing letters about the reduction to non-pooled group benefit managers, along with a letter they may send to employees. We have directed them to contact you for an electronic version of the employee letter. The letters are available via the following links; we suggest you save them on your computer:

We value your recommendations for groups to consider Washington Dental Service/Delta Dental and believe we have made the right business decision to ensure we provide our customers with the best total value in dental benefits.

Sincerely,



Linda Lay  
Director Sales

 **DELTA DENTAL®**  
**Washington Dental Service**

Washington Dental Service is a member of the Delta Dental Plans Association

May 6, 2011

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The economic recession affected everyone. Nationally 10 million people lost their dental coverage during the past two years. Our goal is to ensure employers are able to continue offering high-quality dental benefits to their employees by making dental care more affordable. Even after this reimbursement reduction, WDS will continue to pay dentists competitive reimbursements.

To date, the reaction from dentists is within our expectations. While some dentists have decided to leave our network, our overall network size continues to grow versus 2010 and remains the largest network of participating dentists in the state. With this reduction in reimbursement to providers, our goal is to offer our employer groups the best treatment claim costs while reimbursing dentists at a competitive rate.

If a dentist ends their participation in one of our networks, we immediately notify the impacted subscriber so they have advance notice to assess their coverage before their next visit. For those patients who choose to see an out-of-network dentist, out-of-pocket costs will increase significantly. If patients would like to find a WDS network dentist in their area, please refer them to the "Find a Dentist" tool at [www.DeltaDentalWA.com](http://www.DeltaDentalWA.com).

We value your company's decision to choose Washington Dental Service/Delta Dental and believe we have made the right business decision to ensure that we continue delivering value to our customers and patients.

Enclosed is a letter you may send to your employees if you believe it would be helpful. An electronic version is available from your WDS Client Manager or your Broker.

Sincerely,



Linda Lay  
Director Sales

May 6, 2011

Subject: Important information about your Washington Dental Service/Delta Dental benefits

Washington Dental Service/Delta Dental recently notified our dentist network in Washington that we will be reducing reimbursements to dentists, effective June 15, 2011. The reason for the reduction is to align the Washington state dental fees with other areas of the country, as well as to ensure claim costs for you and your employer are more affordable.

**YOUR BENEFITS FROM WDS ARE NOT CHANGING AS A RESULT OF THIS ACTION.**

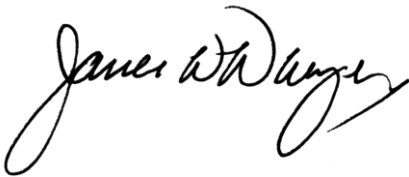
Why is this important to know? After WDS notified their dental providers of this reimbursement change, a small number have chosen to leave the WDS network.

Here's what you need to know:

- WDS has the largest dental provider network in Washington state, which means your dentist is more likely to be an in-network dentist. Seeing an in-network dentist not only stretches your benefit dollars further, it dramatically reduces your personal out-of-pocket dental expenses.
- If your dentist does decide to leave the WDS network, WDS will notify you within one to two weeks via a written letter so you have advance notice to assess your options. If you don't receive a letter from WDS, nothing has changed.
- To find an in-network dentist, use the "Find a Dentist" tool at [www.DeltaDentalWA.com](http://www.DeltaDentalWA.com).
- While network dentists are required to submit claims for you, non-network dentists are not required to and you may need to file your own claims.

We value you as a customer of Washington Dental Service/Delta Dental and work hard to provide you with a high level of service and affordable dental benefits. If you have additional questions contact our customer service department at 1-800-554-1907.

Sincerely,



James D. Dwyer  
President and CEO