



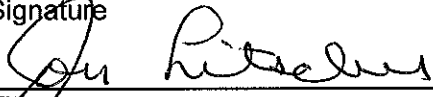
Contract By Authorized Board

Commodity or Service: Third Party Administration of Dental Benefits **Contract No./Request for Proposal No:** ETE0020

Contract Period: July 15, 2015 through December 31, 2017 with the option of renewal for two (2) two (2) year periods

1. This Contract is entered into by and between the State of Wisconsin, Group Insurance Board (GIB) hereinafter referred to as the "Board" and the State of Wisconsin, Department of Employee Trust Funds (ETF) hereinafter referred to as the "Department", and between the Delta Dental of Wisconsin, Inc. hereinafter referred to as the "Contractor", whose address and principal officer appears on page 2. The Department is the sole point of contact for this Contract.
2. Whereby the Department of Employee Trust Funds agrees to direct the purchase and the Contractor agrees to supply the Contract requirements cited in accordance with the State of Wisconsin standard terms and conditions and in accordance with the Contractor's proposal dated March 30, 2015, hereby made a part of this Contract by reference.
3. In connection with the performance of work under this Contract, the Contractor agrees not to discriminate against any employees or applicants for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor further agrees to take affirmative action to ensure equal employment opportunities. The Contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than fifty (50) employees are exempted from this requirement. Within fifteen (15) business days after the award of the Contract, the plan shall be submitted for approval to the Department. Technical assistance regarding this clause is provided by the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931, 608.261.7952, or via e-mail at ETFSMBProcurement@etf.wi.gov.
5. For purposes of administering this Contract, the Order of Precedence is:
 - A). This Contract with Delta Dental of Wisconsin, Inc. including Exhibit A Dated June 10, 2015 and Exhibit B Dated June 16, 2015;
 - B). the RFP dated February 20, 2015;
 - C). Delta Dental of Wisconsin, Inc. Response to Questions Dated May 7, 2015;
 - D). Delta Dental of Wisconsin, Inc. Response to Questions Dated April 7, 2015;
 - E). Delta Dental of Wisconsin, Inc. Cost Proposal Dated March 30, 2015; and,
 - F). Delta Dental of Wisconsin, Inc. Proposal Dated March 30, 2015.

Contract Number & Service: ETE0020 Third Party Administration of Dental Benefits

State of Wisconsin Department of Employee Trust Funds
By Authorized Board (Name) Group Insurance Board
By (Name) Jon Litscher
Signature 
Title Chair Group Insurance Board
Phone 608.266.0301
Date (MM/DD/CCYY) 07/02/2015

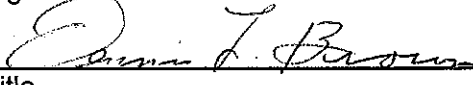
Contractor to Complete
Legal Company Name Delta Dental of Wisconsin, Inc.
Trade Name
Taxpayer Identification Number 39-6094742
Company Address (City, State, Zip) 2801 Hoover Road Stevens Point WI 54481
By (Name) Dennis L. Brown
Signature 
Title President & Chief Executive Officer
Phone 715.344.6087
Date (MM/DD/CCYY) 06/25/2015

Exhibit A

The following reflects mutually agreeable terms and conditions.

ATTACHMENT C-2: FINANCIAL PROPOSAL SUMMARY (SELF-FUNDED DENTAL)

The Department accepts the Contractor's implementation credit of \$25,000.00. The Contractor will itemize the implementation credit on the Department's January, 2016 invoice.

9.3 LIQUIDATED DAMAGES

Both parties acknowledge that it can be difficult to ascertain actual damages when a Contractor fails to carry out the responsibilities of the Contract. Because of that, the Contractor acknowledges that for the Contract resulting from this Proposal, it will negotiate liquidated damages, as required by the State of Wisconsin, for the Contract. The Contractor agrees that the Department shall have the right to liquidate such damages, through deduction from the Contractor's invoices, in the amount equal to the damages incurred, or by direct billing to the Contractor.

The Department shall notify the Contractor in writing of any claim for liquidated damages pursuant to this section within thirty (30) days after the Contractor's failure to perform in accordance with the terms and conditions of this Contract which includes the Contractor's right to cure any failure to perform.

In light of the foregoing, it is agreed that Delta Dental of Wisconsin, Inc. may be required to pay to ETF, for failure to carry out its responsibilities identified in the Contract, liquidated damages in an amount that does not exceed the total amount of the Contract (excluding any claims reimbursements). Such damages are intended to be a reasonable estimate of ETF's anticipated financial loss and damage and not as a penalty. Furthermore, such damages shall be in addition to, not in lieu of, rights of ETF to pursue other appropriate remedies. Delta Dental of Wisconsin, Inc. and ETF may choose to utilize Section 9.14 (Contract Dispute Resolution) of this Contract in order to resolve any disagreement over the amount of liquidated damages.

9.14 CONTRACT DISPUTE RESOLUTION

- In the event of any dispute or disagreement between the parties under this Contract, whether with respect to the interpretation of any provision of this Contract, or with respect to the performance of either party hereto, except for breach of Contractor's intellectual property rights, each party shall appoint a representative to meet for the purpose of endeavoring to resolve such dispute or negotiate for and adjustment to such provision.
- No legal action of any kind, except for the seeking of equitable relief in the case of the public's health, safety or welfare, may begin in regard to the dispute until this dispute resolution procedure has been elevated to the Contractor's highest executive authority and the equivalent executive authority within the Department, and either of the representatives in good faith concludes, after a good faith attempt to resolve the dispute, that amicable resolution through continued negotiation of the matter at issue does not appear likely.
- The party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by delivering written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted by this Contract. After such notice, the parties shall use all reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between authorized negotiators for the parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

LEVEL	DELTA DENTAL OF WISCONSIN, INC.	ETF	ALLOTTED TIME
First	Senior Account Manager	Deputy Insurance Director	10 business days
Second	Director of Account Management	Insurance Director	20 business days
Third	Vice President, Sales and Marketing	Secretary	30 business days

The allotted time for the First Level negotiations shall begin on the date the Invoking Party's notice is received by the other party. Subsequent allotted time is days from the date that the Invoking Party's notice was originally received by

June 10, 2015

Exhibit A

the other party. If the Third Level parties cannot resolve the issue within thirty (30) business days of the Invoking Party's original notice, then the issue shall be designated as a dispute at the discretion of the Invoking Party and, if so, shall be resolved in accordance with the section below. The time periods herein are in addition to those periods for a party to cure provided elsewhere in this Contract, and do not apply to claims for equitable relief (e.g., injunction to prevent disclosure of confidential information). ETF may withhold payments on disputed items pending resolution of the dispute.

As provided in the Standard Terms and Conditions, this Contract shall be governed under the laws of the State of Wisconsin. Both parties agree that any court proceeding arising or related to this Contract shall be exclusively brought in the State of Wisconsin, Dane County Circuit Court, or upon appeal to the appellate courts in Wisconsin. Both parties agree to waive the right to trial by jury.

ADDED 9.28 APPEALS PROCESS

If any participant has a problem or complaint relating to a determination of benefits, he or she should contact Delta Dental of Wisconsin, Inc. Delta Dental of Wisconsin, Inc. shall assist the participant in trying to resolve the matter on an informal basis, and may initiate an informal claim review of the benefits determination. A claim review may be done when a participant requests a review of denied benefits. When a claim review has been completed, and the decision is to uphold the denial of benefits, the participant may file a formal grievance. If the participant wishes, he or she may omit this step and immediately file a formal grievance.

Any dispute about benefits or claims arising under the terms, conditions, and provisions of this agreement shall first be submitted for resolution through Delta Dental of Wisconsin, Inc.'s internal review process. A participant may file a formal grievance to Delta Dental of Wisconsin, Inc. within ninety (90) days of the original denial. In the grievance request, the participant may submit additional documents and written comments and request relevant information and documents pertaining to the original claim denial. Delta Dental of Wisconsin, Inc. will issue a decision (the "Final Decision") within sixty (60) days of the date of a participant's grievance request, outlining the reason (s) and references to the Plan provisions governing the Final Decision. In its Final Decision letter, Delta Dental of Wisconsin, Inc. shall inform the participant of his or her right to request a determination from the Department within sixty (60) days of the date of Delta Dental's Final Decision letter in the event they disagree with the grievance committee's Final Decision.

A participant may appeal the Delta Dental of Wisconsin, Inc. Final Decision to ETF for either an informal review or a departmental determination. A request for ETF informal review or a departmental determination must be made within sixty (60) days of the date of the Delta Dental of Wisconsin, Inc. Final Decision letter. If the participant requests an informal review by ETF, the results of that review will be sent within sixty (60) days of ETF's receipt of the request. If a participant requests a departmental determination, ETF will attempt to send that determination to the participant within ninety (90) days of the request.

A participant may appeal ETF's departmental determination to the Group Insurance Board. An appeal to the Group Insurance Board must be made within ninety (90) days of the date of the departmental determination. All appeals to the Group Insurance Board are conducted in accordance with Wisconsin Administrative Code Chapter ETF 11. An appeal should be sent to the Appeals Coordinator, Department of Employee Trust Funds, and P. O. Box 7931, Madison, WI 53707-7931.

Exhibit B

**STATE OF WISCONSIN Department of Employee Trust Funds
Service Guarantees**

January 1, 2016 – December 31, 2017

Category	Measure	Target	Definition	Delta Dental Fees at Risk
Claim Quality				
Financial payment accuracy	Accuracy of paid benefit dollars	>99.0%	Calculated as the total amount of claim dollars paid correctly, divided by the total claim dollars paid, expressed as a percentage.	1%
Claim processing accuracy	Incidence of claims processed without any error	>97.0%	Calculated as the total number of claims processed correctly divided by the total number of claims processed. Processed is defined as the handling of a claim by paying, denying or closing it through a request for additional information. The claims processing accuracy measure recognizes all claim errors, not just errors that result in an under or over payment.	1%
Claims Timeliness (turnaround time-TAT)				
Turnaround time	The timeliness of claims processing	>90% in 14 calendar days >99% in 30 calendar days	TAT is measured from the date a claim is received to the date it is adjudicated (paid, denied or pending.)	1%
Customer Service				
Call answered rate	Calls answered within 30 seconds at least 95% of the time.		Measured from the time a call is placed in the enrollee service queue until the time the caller is connected to a customer service representative.	1%
Call abandonment rate	The percentage of calls that are abandoned before answer	Abandoned phone call rate is at 2% or less.	Percentage of calls that reach Delta Dental and are placed in enrollee services queue, but are not answered because caller hangs up before a customer service representative becomes available. Any calls that abandon within 10 seconds of being placed in queue need not be counted. Calculated as the number of calls in enrollee services queue that are abandoned divided by the number of calls placed in queue. Note: Calls that are answered by automated responses (such as claim status and eligibility) are not to be included in the count of calls that reach the facility and are placed in queue.	1%

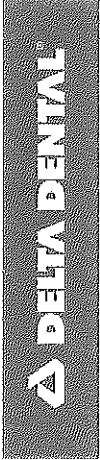


Exhibit B
STATE OF WISCONSIN Department of Employee Trust Funds
Service Guarantees
January 1, 2016 – December 31, 2017

Category	Measure	Target	Definition	Delta Dental Fees at Risk
First call resolution		Service issues resolved on first phone call 98% of the time.	First call resolution will be measured quarterly and is defined as a call that is resolved during or after the call is received, and does not result in a follow-up call from the member or the contractor regarding the same issue within thirty (30) Calendar Days of the first call.	1%
Please note: Annual performance penalties are subject to an aggregate 10% maximum payment.				
Category	Measure	Target	Definition	Delta Dental Fees at Risk
Response to Written Inquiry		Response to written communication averages three (3) Business Days or less.	The average time it takes to respond to written inquiries.	1%
Call Volume Standard		Able to accommodate a call volume of approximately 8,000-10,000 calls per month exclusively for State of Wisconsin members.	The amount of calls from State of Wisconsin members on a monthly basis that can be accommodated by the Vendor's current customer service staff and call tracking system	1%



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STATE OF WISCONSIN Department of Employee Trust Funds
Service Guarantees
January 1, 2016 - December 31, 2017

Quality Assurance Review	<p>At least 5% of calls are reviewed for accuracy and quality. This must be completed on a quarterly basis and reported to the State of Wisconsin.</p> <p>The percentage of phone calls which are reviewed by leadership staff (lead worker, supervisor, manager, etc.) to ensure accurate information was given to State of Wisconsin members and appropriate coaching and training is given to any customer service representatives who fail to accurately respond to member inquiries or concerns.</p>	1%
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Member satisfaction

Member satisfaction	The percent of responses to the member satisfaction survey indicating either satisfied or very satisfied.	1%
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Please note: Annual performance penalties are subject to an aggregate 10% maximum payment.

Category Measure Target Definition Delta Dental Fees at Risk

Member Complaint Rate

Member Complaint Rate	Less than 2% of members file complaints	1%	Percent of incoming calls from members, or from others on behalf of a member, which are indicating unsatisfactory or unacceptable service or situations.
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Response to Formal Complaint Rate



Exhibit B
STATE OF WISCONSIN Department of Employee Trust Funds
Service Guarantees
January 1, 2016 – December 31, 2017

Response to Formal Complaint Rate:	<p>The average time it takes to respond to complaints. If the complaint is written, phone or e-mail contact acknowledging receipt of the complaint must be attempted within one (1) Business Day of receipt of the complaint. Final resolution must be shared with ETF and complainant within three (3) Business Days of the initial complaint.</p>	1%
Average time to respond to complaints is one (1) Business Day or less.	Proposed resolution to be shared with ETF within three (3) Business Days.	

Website Availability	<p>The amount of time that Delta Dental's website is unavailable in a given month must not exceed 6 non-peak hours.</p>	1%
Website Availability	Delta Dental's website cannot be unavailable for full participant access for more than 6 non-peak hours per month.	

Please note: Annual performance penalties are subject to an aggregate 10% maximum payment.

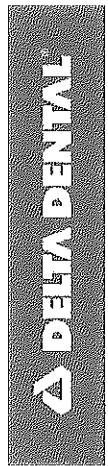


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STATE OF WISCONSIN Department of Employee Trust Funds
Service Guarantees
January 1, 2016 – December 31, 2017

Category	Measure	Target	Definition	Delta Dental ASO Fees at Risk
Network Utilization	Delta Dental will guarantee a minimal level of "In-Network" utilization. "In-Network" is defined as both the Delta Dental Premier and Delta Dental PPO networks.		Delta Dental is the only dental carrier that offers ETF a managed fee-for-service network that provides a "safety net" of protection for enrollees who do not go to PPO network dentists. As a result, ETF will realize far greater network utilization with Delta Dental than it would with any other dental carrier's PPO-only solution.	IN-NETWORK UTILIZATION (BASED ON PPO AND PREMIER)
				Utilization Level
			In-Network	Admin. At Risk
			90% or higher	N/A
			88% to 89.9%	\$0.03 pepm
			86% to 87.9%	\$0.05 pepm
			84% to 85.9%	\$0.08 pepm
			Below 84%	\$0.10 pepm
	The guarantee will apply to all ETF participants. The measurement tool will be the ratio of in-network paid claim dollars over total paid claim dollars for the duration of the initial contract term. Parameters will be as follows:			



Exhibit B
STATE OF WISCONSIN Department of Employee Trust Funds
Service Guarantees
January 1, 2016 - December 31, 2017

Category	Measure	Target	Definition	Delta Dental ASO Fees at Risk
Claim Cost	Delta Dental is the only dental carrier that offers ETF a managed fee-for-service network that provides a "safety net" of protection for enrollees who do not go to PPO network dentists. As a result, ETF will realize far greater network utilization and savings with Delta Dental than it would with any other dental carrier's PPO-only solution.		Claim cost guarantee assumes the benefit plan design outlined in the current Uniform dental benefits. The claim cost guarantee is in effect only if there have been no material changes in number of covered employees, location and enrollment mix of subscribers. Material change is defined as plus or minus 10% of covered employees, new locations added to the plan, or a change in enrollment mix of plus or minus 5%.	CLAIMS COST PEPM YEAR 1: BEST ESTIMATE \$49.00 2% MARGIN: \$50.00 YEAR 2: BEST ESTIMATE: \$50.50 2% MARGIN: \$51.50
			Claims PEPM *	Admin. At Risk
		YEAR 1	YEAR 2	
		\$50.00 or less	\$51.50 or less	N/A
		\$50.01 - \$51.00	\$51.51 - \$52.53	\$.03 pepm
		\$51.01 - \$52.02	\$52.54 - \$53.58	\$.06 pepm
		\$52.03 - \$53.06	\$53.59 - \$54.66	\$.08 pepm
		\$53.07 or higher	\$54.67 or higher	\$.10 pepm

* Claim cost estimates include a 2% margin over trended group claims.

OR:

Year 2 is 3% Trend and 2% Margin over Year 1 Actual

Please note: Annual performance penalties are subject to an aggregate 10% maximum payment.

