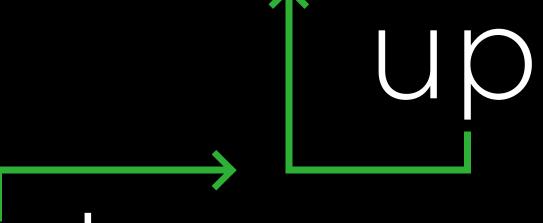
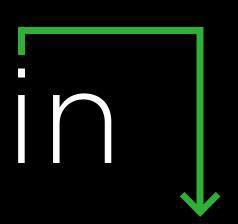
Reaching





2021 Annual Report

Delta Dental of Michigan, Ohio, and Indiana



Reaching in.

Reaching out. Reaching up. -

Delta Dental of Michigan, Ohio, and Indiana entered 2021 hopeful the pandemic would wind down, we could step out of a state of crisis and the ways in which we do business would return to something close to "normal."

None of those things happened.

Rather, the second year of the global COVID-19 pandemic was in many ways more challenging than the first. But we mustered our collective strength and creativity, and innovated and grew stronger in the face of the unexpected, the unwelcome and the unbelievable.

We proved, once again, that our dedicated and talented team is built for success.

We brought in \$97.2 million in new revenue, retained a record and near perfect 99.36 percent of our customers, and welcomed 350,000 new members to our book of business. We added DeltaVision®, a partnership with VSP® Vision Care, which enables us to offer vision

benefits along with our dental plans, and we became the first dental plan in the nation to launch a special health care needs benefit that removes multiple barriers to oral health care for people with disabilities.

Results like that are possible only because of strong relationships and the innovative ways in which we communicated and collaborated with agents, brokers, customers, dentists, partners—and each other.

Results like that enable us to give back to our community, starting with the Delta Dental Foundation (DDF), which is dedicated to improving access to oral health care in all our markets. We invested \$10 million in the DDF, bringing that endowment to \$136 million.

Read more about the DDF by downloading their annual report: bit.ly/2021DDF.

Building a Foundation

POUNDATION FOUNDATION

After a year without faceto-face volunteering, staff enthusiastically jumped into several opportunities to contribute their time in 2021. They invested 1,832 hours—the second highest ever—supporting food banks. building beds for children in need and helping local health care providers in the massive effort to vaccinate residents of our communities.

We're not in the work for awards or pats on the back. However, in 2021 our staff members were recognized as best-in-class in some prestigious competitions that are noted in this year's report.

We credit Strategy, our three-pillared strategic plan, for helping us navigate the frustrations of the pandemic and fluctuations in our markets. The plan kept us aspirational, and it kept us focused.

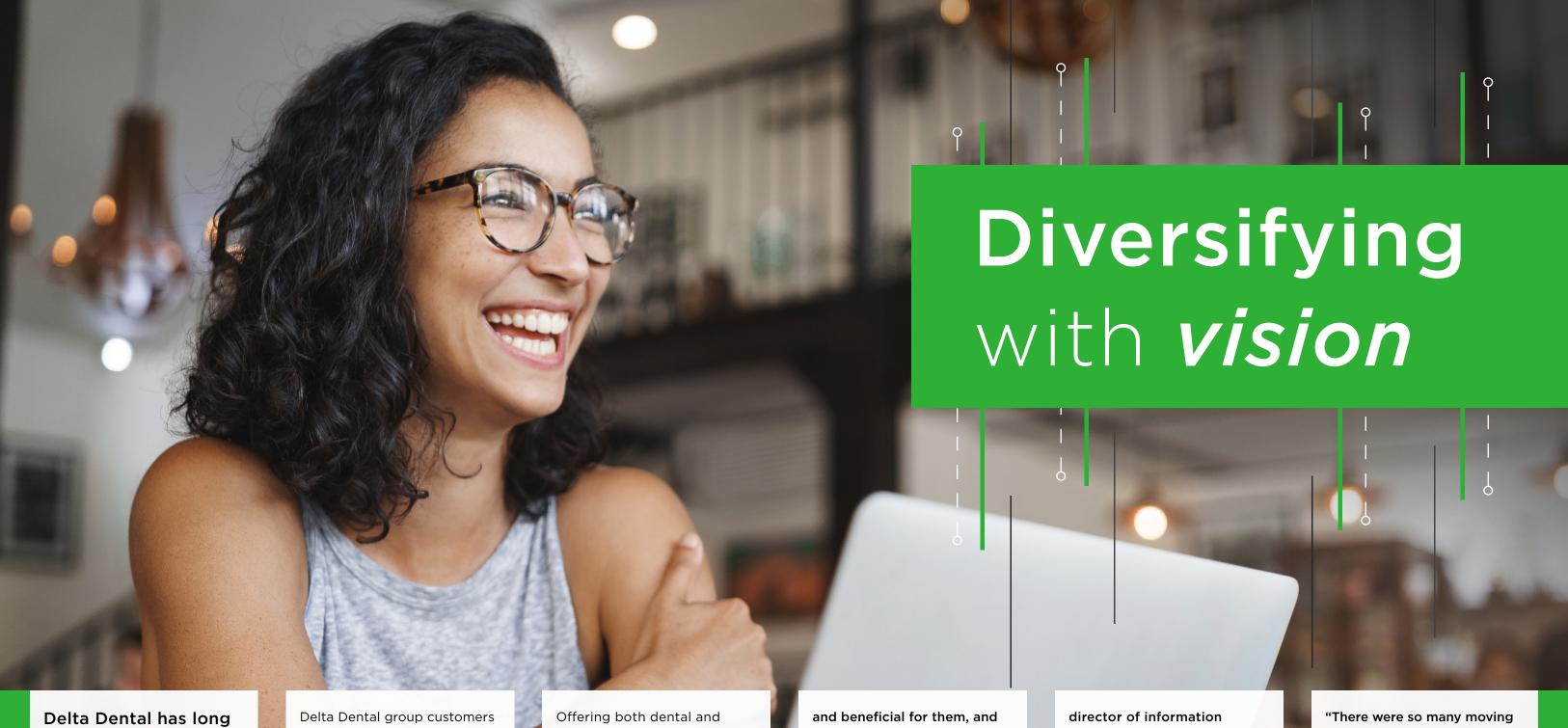
We had ambitious stretch goals to meet in the areas of growth, talent attraction and retention, and innovation. We knew we had to reach in to engage our employees, reach out to support our communities and reach up to stretch ourselves.

We are passionate about and accountable to our mission to increase access to oral health care, and we are moved to be a force for good in our communities. It drives us to give our all and exceed our goals whether in crisis or calm.

It is the way we do business.



Kelly Scheiderer, RHIA, MHA, Chair of the Delta Dental of Michigan Board of Directors, and Goran Jurkovic, CPA, CGMA, President and CEO of Delta Dental of Michigan, Ohio, and Indiana



been so much more than dental benefits. In 2021, we set our sights on reaching even further by expanding into the world of vision benefits.

Delta Dental partnered with VSP® Vision Care—a national leader in vision benefits—to offer DeltaVision® to our

and prospects.

VSP is well-known for their best-in-class vision programs, making them the ideal complement to our dental benefits, supporting the company's focus on overall health. Eye doctors, like dentists, are trained to detect early signs of many conditions, which can lead to early intervention and better overall health.

vision benefits makes us a one-stop shop, simplifying and streamlining administration for customers who want to offer their employees benefits in both areas.

"Adding vision helps all our customers, but especially our small group clients," said Jessica Kiger, manager of account implementations and group services. "We're able to offer something new

signing up for both benefits from one source makes their lives easier."

The expansion of DeltaVision also aligns with our strategic plan at the highest level, directly connecting with two of the three pillars.

"DeltaVision strengthens the 'grow' and 'innovate' pillars of our strategic plan," said Vonnie Konzman, executive

systems and services. "Growing our business and diversifying with innovative products tie the work together in supporting the strategic plan."

Adding a new product is no small task, and is compounded when facing the business challenges of a pandemic. A total team effort was necessary to make it happen, and that is exactly what we had.

parts, and many folks played a big role in making DeltaVision a reality," said Tony Robinson, senior vice president and chief marketing officer. "The ability to launch a new product in the midst of a pandemic is something we should be very proud of."

The human touch -

Tirelessly making personal connections.

That's the mantra of Delta Dental's team charged with inspiring Michigan families with Delta Dental Healthy Kids Dental (HKD) benefits to see a dentist.

In 2021 they crisscrossed the state, visiting schools and community meetings. They discussed oral health with parents, oral health coalitions, Head Start teachers and program coordinators.

And they called homes—hundreds every week—to

explain the HKD program, find transportation for families who need it and help schedule dental appointments.

"We'll move heaven and earth to get people to the dentist," said Dennise Hodge, program administrator and outreach specialist. "Our callers provide an extra level of personal attention to help parents however they can. They leave a lot of messages, but they're persistent in increasing utilization. As a direct result of their calls, we've seen a 15 percent increase in dental visits."

And the team that was forced to adjust in-person contact through the pandemic continued to get creative with outreach—for instance, handing out oral health information during a drive-thru diaper giveaway via Head Start.

"The 0 to 2 age range is a marker we want to improve," said Becky Domagalski, dental care specialist.
"So reaching parents of toddlers through the diaper drive-thru was a good socially distant way for us to influence oral health and get more of the youngest children to the dentist."

Sharing -

the spotlight



Dr. Erik StierGreater Detroit Area Health
Council—Salute! to Healthcare
Breakthrough Award recipient

In 2021, Dr. Erik Stier led the population health and utilization management team. And when the Greater Detroit Area Health Council (GDAHC) named him as a Salute! to Healthcare 2021 Breakthrough Award recipient, he met every "congratulations" with the same sentiment—this was a Delta Dental team award.

GDAHC is southeast Michigan's premier health care coalition and a longtime partner. Their annual awards celebrate individuals and organizations who have transformed health and health care in the region.

"This award was gained through a lot of hard work, listening and passion," Dr. Stier said. "The work has led to tremendous relationships across the state. It was really a Delta Dental effort. We not only listen to our partners, but we listen to each other, and when you feel you are part of something, success is sure to follow."



In **Detroit** neighborhoods

Vaughn Arrington and his company, Human Fliers, use a street-level approach to talk to everyday Detroiters about health care and oral health. And they make Delta Dental a familiar name as they help us eliminate barriers to care. Meet Vaughn and learn about his team's work: bit.ly/HumanFliers.



Helping neighbors **near** and **far** -

Giving back is at the core of what we do. We believe in building healthy, smart, vibrant communities for all, and a major part of that is putting boots on the ground to volunteer, serve and connect.

The pandemic put a stop to our in-person volunteering in 2020, leaving our employees eager to give even more generously and enthusiastically in 2021.

We kicked off Volunteer Month in April strong, partnering with the Greater Lansing Food Bank and McLaren Health Plan to hold a mobile food distribution event at our Okemos, Michigan, parking lot, serving more than 80 local families in need.

We also answered the call to protect the health of

our community, working with Sparrow Hospital to streamline their drive-thru COVID-19 vaccine clinic in Lansing, Michigan, Volunteers greeted patients, directed them throughout the site, supported data entry, assisted vaccinators and provided general help to keep things moving efficiently.

"Volunteering at the clinic was important to me because I wanted to help my community and be able to help in the fight against COVID-19." said Ben Every. business rules specialist. "The amount of appreciation and gratitude I was shown by the staff and patients at the clinic was enough to make me want to do it again in a heartbeat."

We again put our empty Okemos parking lot to use as a workspace to support Sleep in Heavenly Peace, a nonprofit that brings together volunteers to assemble and deliver handmade quality

beds to children and families in need.

But our efforts weren't only focused on our backvard. We were looking globally, too.

We knew a large part of our workforce was personally affected by India's COVID-19 crisis as cases in July reached 31.5 million and the death toll was rising dramatically every day.

Working with the American India Foundation, we collected employee donations to cover the costs of health facilities, frontline workers and community-centered education in India. The company matched all employee donations and together we raised more than \$12,000—our largest employee giving campaign in company history.

Engagement *rises* while planning for the future

Employees at the end of pandemic year two were more engaged in the company than the previous year, driving performance and innovation to move the organization forward.

Ninety-four percent of employees participated in our 2021 employee engagement survey, far exceeding the previous year's 79 percent participation rate.

The confidential survey conducted by Gallup showed 55 percent of employees are highly involved in the company, and they're enthusiastic about their work and workplace. In 2021, we saw a 10 percent increase of employees in this group.

"For employees to continue weathering the pandemic while at the same time

increasing their connection to the company and our work is truly remarkable," said Earl Major, vice president of human resources. "I'm so proud to be a colleague to our dedicated and engaged staff."

Through the year, the majority of employees continued to work from home, as company leadership planned for the future and a full reopening of our offices.

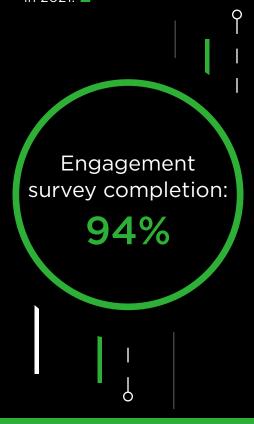
Our crisis management team closely monitored pandemic news and numbers, and work teams wrestled to decide their long-term in-office, at-home or hybrid work arrangements.

They formed their plans in 2021 but couldn't fully put them into action, as we had several COVID-19-related stops and starts that mostly kept office doors closed.

During the wait, we considered where we do our best, most creative, most productive

work, focusing on helping employees thrive no matter where their desk sits.

Today's modern approach to work often includes a home office, and planning for this long-term flexibility forever changed Delta Dental of Michigan, Ohio, and Indiana in 2021.



Outstanding Corporation Award

In 2021 Delta Dental received the Outstanding Corporation Award from the Association of Fundraising Professionals in recognition of our longtime commitment to the communities we serve. The award was presented as part of the organization's annual National Philanthropy Day celebration. Watch an excerpt from the presentation: bit.ly/AFPaward



2021 employee volunteering and giving:



Company-sponsored volunteer events:



Company-sponsored event volunteer hours:



Total employee volunteer hours:

Employee charitable giving:

\$36.557

32

1.677

1,832



Access to specialized oral health care is hard to come by for those who have an intellectual or developmental disability (IDD), and it falls on many groups to fix.

Patients may not be able to fit in a standard dental chair, can develop anxiety from dental tools or are unable to keep their mouths open for long periods of time.

At Delta Dental of Michigan, Ohio, and Indiana we see it as our responsibility to make inclusive and covered dental visits more accessible to all families.

In 2021 we launched the Special Health Care Needs Benefit with the Delta Dental Foundation serving as a key partner.

The benefit allows eligible children and adults with special health care needs access to the benefit should their employer opt in.

Benefits include additional visits to the dentist's office that can help patients learn what to expect; additional cleanings; and extra care and modifications for patients with sensory sensitivities, behavioral challenges, severe anxiety or other barriers to treatment.

For Indiana mom Erica Deathe, having this benefit would be a game changer.

Her 10-year-old daughter Mallory has cerebral palsy and sees the dentist every six months. With a strong gag reflex and a history of seizures, she has trouble sitting still, especially in the dental chair.

"The older she gets the harder it is (to see the dentist) because she's more aware of her surroundings and what's going on," Deathe said. "I wouldn't want the procedure or experience to be done in a way that is going to traumatize her."

And Mallory's not alone.

For the 6.5 million people in the U.S. with an IDD, seeing the dentist can be overwhelming. Dentists are not always provided the training, tools or time to care for patients with an IDD, who may require special accommodations.

The situation is compounded even more when a patient finds an equipped provider, only to find special services needed are not covered by dental insurance.

"Delta Dental has listened to the pleas of families and caregivers in trying to reduce barriers to care for this most medically and dentally underserved population," said Dr. Steven Perlman, global clinical director and founder of Special Olympics Special Smiles.

"Access to and the ability to receive quality oral health care is the number one problem faced by children and adults with physical and intellectual disabilities."

As part of the Delta Dental Foundation's charitable efforts, to help oral health professionals better care for those with special health care needs, the Foundation sponsored a free continuing education series through Penn Dental Medicine. Dentists completing the courses will receive Disabilities Dentistry Clinician Expert designation

and will be better prepared to serve this population.

"We have been engaged in this space for years, working to make oral health care accessible and equitable to all. Now, we are pushing other dental benefit companies to follow suit. Providing excellent coverage that meets all patient needs is the right thing to do," said President and CEO Goran Jurkovic.

A *fresh* take

From a few minutes to several years. That's how long the innovation process can take.

It can be messy, straightforward, stressful, exciting or likely, all of the above.

Innovation was a primary focus of our work in 2021, as we launched an innovation pipeline to encourage employees to unleash their creativity and share their best ideas.

Employees submitted more than 300 ideas in the first year, with 58 already implemented. That accounts for ideas coming from about a quarter of our workforce. Ideas had to have ownership and provide competitive advantage, increase revenue, decrease expenses, solve a problem, deliver measurable business value, or improve the well-being or work environment for our people.

"2021 was a learning year," said Dave Knight, lead on the innovation pipeline and chief of staff for the office of the CIO. "We didn't know what we didn't know. In a way we were pioneering for the organization."

A team of 15 employees across various departments and levels made up the innovation review team, helping to refine and assess submitted innovation ideas.

"We had a strong and diverse team that had a tough job, but collectively they helped move us forward. I can't imagine getting here without them," Knight said.

The goal of the pipeline has been to capitalize on the creativity and ingenuity of our staff, and find ways to increase our competitiveness and performance—whether that be enhancing processes or implementing everyday solutions that increase our productivity or client experience.

Innovation is of importance not only because of the new business it may help create but also because it complements the culture we are trying to create, according to Mark Baughman, senior vice president and chief information officer.

"Even though there is pain and growth along the way, the idea of getting to that spot where innovation is part of our culture is hugely exciting and important," Baughman said.

The **best** in IT



Mark Baughman
2021 Michigan CIO of the
Year ORBIE Award recipient

Mark Baughman, senior vice president and chief information officer for Delta Dental of Michigan, Ohio, and Indiana, was named best of the best in 2021 as he received the Michigan CIO of the Year ORBIE Award for organizations with more than \$1 billion annual revenue.

The ORBIE awards are presented by Michigan CIO, the preeminent peer leadership network of Michigan chief information officers. The awards honor CIOs who have demonstrated

excellence in technology leadership. Finalists and winners are selected by an independent peer review process, led by prior ORBIE recipients, based upon:

- Leadership and management effectiveness
- Business value created by technology innovation
- Engagement in industry and community endeavors

"It's a fantastic feeling to win,"
Baughman said. "I'm really
grateful and thankful, but no
one wins this award without
a great team behind them.
We have a strong culture in
IT with our accountability
initiative, and I'm so grateful
that everyone has embraced it.
Our success is really all about
culture and teamwork."

Read the news release

Meet the winners of the Michigan CIO of the Year ORBIE Awards, including Delta Dental's own CIO, Mark Baughman: bit.ly/ORBIE21.



Listen to the podcast

Listen to a conversation between Baughman and Margaret Trimer, vice president of strategic partnerships, on Trimer's "Grit" podcast: bit.ly/GritBaughman.



Melding *new* with tried and true —

Transition was the name of the game in 2021 for our sales and account management team.

We bridged the gap between pandemic strategies and a world that is reopening. Melding digital and in-person approaches in a whole new way led to robust sales in 2021. Clients renewed at 99.4 percent overall, and in Indiana we welcomed a high of more than 41,500 new subscribers.

"The bedrock of our department is creating and cultivating relationships," said Tony Robinson, senior vice president and chief marketing officer. "Doors beginning to reopen was a welcome sight. Connecting in-person allows us to showcase the most valuable asset we have, our people."

BORN OF NECESSITY, REFINED FOR GROWTH

Pandemic aside, employee benefits communication has become more sophisticated, and it was imperative that Delta Dental remained ahead of the curve as a dental benefits expert.

Fifteen minds from across all six of our Michigan, Ohio and Indiana office locations came together to reimagine our virtual toolset. Modern, digital communication tools were added to our repertoire and will continue to serve as a complement to our paramount strength of personal connection.

"It's the relationships that shine brightest," said Brent Bunnell, supervisor of sales operations. "It's being there for your client. Show up. Take care of their people. If we lose that human touch, we are nothing more than an electronic claims servicing company. We've adapted and evolved during this pandemic to maintain those personal bonds with our clients."

REPUTATION BOOSTS RETENTION

Long before "social distancing" and "contact tracing" became embedded in our everyday lexicon, strong relationships built Delta Dental's reputation. The kinship gave us a leg up as clients felt more comfortable sticking with a trusted ally during unstable times.

Our tireless people took over from there, grabbing the baton and finishing the race to retention by providing unquestioned service during a time of uncertainty.



2021 financials:

Combined financial results¹ (as of December 31) (000s omitted)

	<u>2021</u>	2020
Total assets	\$1,329,242	\$1,241,510
Net assets	\$1,121,253	\$1,020,045
Total revenue	\$1,379,238	\$1,240,276
Total benefits and expenses	\$1,308,376	\$1,199,231
Operating income	\$70,862	\$41,045
Nonoperating (loss) income	\$30,345	\$89,507
Change in net assets	\$101,208	\$130,552

Combined business summary^{1,2}

Claims processed	14.4 millio
Claims processed within 10 business days	98.7 percei
Submitted charges	\$6.8 billio
Paid charges	\$2.5 billio
Total cost management savings	\$4.3 billic
Total new business	\$79.9 millio
Total covered people	9 millio

 Financial, operational, and cost management and coverage results are for Delta Dental of Michigan, Ohio, and Indiana. Delta Dental is a registered trademark of the Delta Dental Plans Association.
 Excludes risk share business and international operations.
 Service accomplishments are for Delta Dental of Michigan, Ohio, and Indiana as of December 31, 2021.



We faced the difficulties of yet another year affected by the pandemic and, once again, proved that we can adjust and innovate in tough times. Remarkably, we set new retention highs and added another 350,000 members.



Tony Robinson

Senior Vice President and Chief Marketing Officer Delta Dental of Michigan, Ohio, and Indiana

2021 service accomplishments:³



Average speed of answer:

6 seconds

Inquiries resolved on first contact: 99.6%



Implementation grade point average (on a 4.0 scale):

4.0



Member overall satisfaction with Delta Dental's service: **96%**

Delta Dental of Michigan

Delta Dental of Michigan
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Carole S. Watkins Grandview, Ohio	

Delta Dental of Indiana

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Senior Vice President, Chief Financial Officer,	
Chief Risk Officer and Treasurer	
Sue E. Jenkins	
Senior Vice President, Chief Legal Officer,	
Chief Administrative Officer and Secretary	
Jeremy J. Nelson	

Delta Dental of Michigan, Ohio, and Indiana



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