



PSC-CUNY WELFARE FUND

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Dear Welfare Fund Member:

We have exciting news! The Fund Trustees have approved a significant enhancement to the Fund dental benefit for all members. Starting on July 1, 2022, both in-network and out-of-network reimbursements (the Fund's fee schedules) will be increased. Members using Guardian network dentists will have little to no copayments for many dental procedures and out-of-network dental charges will be further reduced by the Fund's higher reimbursement schedule.

Fund Trustees engaged in a competitive bidding process, and we found that our current dental providers, the Guardian Life Insurance Company and DeltaCare USA, still provide members with the greatest choice of dentists and greatest value. While our plan design will basically stay the same, we anticipate increasing by over 50% the amount of money the Fund puts toward paying for dental services. We also are working with Guardian to make their webpage and customer interface more user friendly.

Our dental plan provides members with a choice of two types of coverage: DeltaCare USA, which is a Dental Health Maintenance Organization (DHMO), and Guardian Dental Guard Preferred Provider Organization (PPO). Currently, members are enrolled in one of these two plans. Current DeltaCare enrollees will have the opportunity to switch plans, if they wish, during the special open enrollment period, July 1- July 31, 2022.

DeltaCare USA HMO will not change. DeltaCare has a copay schedule for covered procedures with relatively modest copay amounts. Many diagnostic, preventative, and restorative procedures are provided at no cost or for a relatively small copayment. Some expensive procedures, such as implants, are not covered by DeltaCare and the number of providers is limited to the DeltaCare DHMO network. Please visit the PSC-CUNY Welfare Fund website for full details: psccunywf.org.

The Guardian Dental PPO Welfare Fund's reimbursement fee schedules will be increased. The Guardian plan allows members to choose in-network or out-of-network dentists. The Guardian network of providers is large, and this was an important consideration in staying with Guardian. There are 16,820 Guardian network dentists in the New York metropolitan area and 135,019 nationally. Guardian network dentists provide a discount from their customary charges and the Fund provides a reimbursement fee schedule towards the remaining costs of covered procedures. The Fund's reimbursement fee schedule is set so that on average 100% of the cost of "preventative," "basic," and "orthodontia" procedures will be covered. That means little to no out-of-pocket costs for members utilizing in-network dentists for these types of procedures. The cost of "major" dental procedures (for example, crowns) will be covered, on average, at 90% by combining the in-network discounts with the Fund's new enhanced reimbursement schedule. See the enclosed table for examples of average copay amounts for typical procedures.

The Guardian PPO will give our members a wide range of dentists to choose from and low out-of-pocket costs. It is, however, a complicated plan and navigating it will take a good understanding of the plan's details. We wish it was easier to understand and navigate, but we are constrained by the crazy patchwork of the U.S. health and insurance systems. There will be more explanatory materials coming in the months ahead, but for now here is a brief overview of how the Guardian PPO works:

There are three basic components that drive the out-of-pocket cost (or copay amount) for dental procedures:

- 1) The amount an individual dentist normally charges for a procedure.
- 2) Less the amount an individual dentist discounts the normal charge.
 - In-network discounts range from 32% to 54% off normal charges
 - Out-of-network dentists offer no discounts off normal charges
- 3) Less the amount of the reimbursement provided by the Welfare Fund for each procedure.
 - In-network fee schedule: stated amount for all types of covered procedures
 - Out-of-network fee schedule: same amount as in-network for "preventive" and "basic" procedures; 30% of in-network amount for "major" and "orthodontia" procedures.

Guardian In-Network Costs

Dentists in Manhattan typically charge more for the same procedure than dentists in the outer boroughs. Within the same zip codes, dentists will have different charges for similar services. Guardian and other insurance plans negotiate discounts off the cost of dental procedures with individual dentists as a condition for those dentists to be listed in their networks. Nationally, Guardian in-network dentists discount their normal fees on average by 42.9%. In New York City, average discounts range from 51% to 54% depending on location. The final charge after discounts will vary for each dentist.

Guardian negotiates the steepest discounts among the various national networks we considered in our competitive bidding process. Other insurance companies sign up dentists in their networks with smaller discounts and higher costs to the patient. This allows other networks to enroll more providers, but with less value for the patient. An advantage the Guardian network provides is that it contains both direct Guardian providers with the discounts indicated above and additional providers who are part of networks that Guardian leases. These leased network providers (called "partner networks") account for about 25% of all Guardian providers in the New York Metro Area and 18% nationally. The discounts the "partner networks" provide are 41% to 43% of normal fees in the New York Metro Area and 32% nationally.

When looking for a Guardian in-network dentist, please be aware that some in-network dentists give a greater discount than others. Guardian has two types of in-network dentists: 1) those belonging directly to the Guardian network called "Greater Savings Providers;" and 2) those belonging to other networks leased by Guardian called "Partner Network Providers." On the Guardian "Find a Dentist" website (<https://www.guardiananytime.com/fpapp/search>), you can find the Guardian network dentists with the greatest discounts by clicking the box that says, "Greater Savings Potential." These dentists do not include the "Partner Network Providers." While these "Partner Network Providers" may increase your out-of-pocket costs, they give our members access to discounted services, more in-network dentists, and the Fund's higher in-network reimbursement rate. Before your appointment with a Guardian provider, you should ask to see what your dentist will charge.

After the discounted charge is determined, your final out-of-pocket cost will be based on the difference between the discounted charge and the Welfare Fund's in-network reimbursement fee schedule for each procedure. We have constructed our reimbursement fee schedule so that on average for in-network dentists there is minimal to no out-of-pocket cost to you for "preventive" (routine care), "basic" (fillings), and "orthodontia" (braces) procedures. The cost of "major" procedures (crowns or implants) will be covered on average at 90% of the

allowed dentist's charge. Overall, we expect 96% of member dental costs to be covered if members use Guardian in-network dentists; an increase from the current 74% of covered member dental costs.

Out-of-Network Costs

Members who use a non-Guardian provider should see lower out-of-pocket costs for most dental procedures. The fee schedule for non-Guardian providers has been enhanced but compared to participating providers it is not as generous for all procedures. Although the reimbursement fee schedule for non-Guardian providers has been enhanced for most procedures, the Fund cannot guarantee your costs will be significantly decreased because Guardian has no control over the amount you are charged by the provider. Based on experience, however, we expect overall out-of-network cost coverage to increase from the current 22% to 36%.

Please see the table on the back of this page that compares Guardian provider and non-Guardian provider projected average out-of-pocket costs for common procedures in selected locations.

More information about the details of the dental benefit enhancements will be forthcoming, and you can learn more about the new and current benefits by visiting the Fund website, psccunywf.org.

In solidarity,

A handwritten signature in black ink that reads "Steven London". The signature is written in a cursive, flowing style.

Steven London
Executive Officer
PSC-CUNY Welfare Fund

Guardian In-Network or Guardian Out-of-Network?

About 10% of our membership (2,279) are enrolled in the DeltaCare USA. Copays are minimal and predictable with no copays for many procedures, and you have a primary care dentist to guide you in your dental care. DeltaCare USA, however, provides no out-of-network coverage.

About 90% of our members (20,085) are enrolled in the Guardian PPO, and about 70% of the procedures of those enrollees are done in-network with Guardian participating dentists. At the same time, we understand that many members have utilized out-of-network dentists whom they trust. Our dental plan benefit design gives our members choices. That said, please remember that there are tens of thousands of participating Guardian dentists nationally and over ten thousand in the NY Metro Area. When choosing a Guardian network dentist, you can save hundreds of dollars on common procedures.

The table below compares the various Guardian plans' projected average out-of-pocket or copay costs for common procedures in selected groups of Zip Codes:

Comparison of Projected Average Out-Of-Pocket Cost of Common Procedures										
		Manhattan Zip Codes beginning 100			Brooklyn Zip Codes beginning 112			Queens Zip Codes beginning 113		
Code	Procedure	Guardian		Out-of-network	Guardian		Out-of-network	Guardian		Out-of-network
		"Greater Savings" Provider**	Guardian "Partner Network" Provider**		"Greater Savings" Provider**	Guardian "Partner Network" Provider**		"Greater Savings" Provider**	Guardian "Partner Network" Provider**	
D1110	Prophylaxis	\$13	\$20	\$134	\$0	\$9	\$105	\$0	\$4	\$94
D2392	Filling	\$16	\$32	\$252	\$0	\$3	\$150	\$0	\$15	\$125
D2740	Crown	\$172	\$335	\$1,954	\$3	\$237	\$1,411	\$58	\$143	\$1,302
D7240	Oral Surgery	\$40	\$118	\$276	\$0	*	\$245	\$25	*	\$270
D6010	Dental Implant	\$231	\$204	\$2,107	\$89	\$359	\$1,578	\$139	*	\$1,498
D8080	Braces	\$334	\$4,662	\$10,764	\$328	\$2,239	\$6,211	\$330	\$1,095	\$8,172

* Not enough data to make a projection.

** Guardian in-network providers are of two types: providers belonging to the Guardian network and providers belonging to other networks leased by Guardian. Guardian network providers have the highest discounts and are called "Greater Savings Providers." The leased network providers have lesser discounts and are called "Guardian Partner Network Providers." Both types of providers are "in-network" and eligible for the Fund's higher reimbursement fee schedule.

Notes: The table is for illustrative purposes only. Copay procedure amounts are an average of all the Zip Codes in each location. The dollar amounts are estimates and not actual expenses; these are sample average member costs to show the relative cost differences among network designations and location of services and are not a guarantee of costs. Some members may incur higher and others lower out-of-pocket costs depending on their unique circumstances. The average out-of-pocket costs are based on claims data for the annual period ending August 31, 2021.