

Active Dental ASO-PPO RFP for PY2027 Results

Health Service Board | May 14, 2026

Presenters:

Rey Guillen, SFHSS Executive Director

Michael Visconti, SFHSS Contracts Administration Manager

Mike Clarke, Lead Actuary, Aon

Agenda

- Key Considerations
- RFP Summary and Background
- RFP Results / What the RFP Showed Us
- Scope and Goals of the RFP
- 2026 Dental PPO Design
- 2027 Dental PPO Rates
- Board Action
- Appendix

Board Action

Action Item:

Take action on the result of the Active Dental ASO-PPO RFP

- If accepted, Board to direct SFHSS to proceed with the highest-ranked respondent per terms of the RFP and Board Governance Section 207;
- If not accepted: Board to direct SFHSS to make no award under the RFP.

If Action Item is not accepted by Board, SFHSS recommends the Board consider today’s next Board agenda item “Active Employee Delta Dental PPO Plan Renewal 2027” as a separate Board action item.

Key Considerations

- **Non-Delta** bidders showed a **high potential for network provider disruption** to SFHSS Members.
- **Delta** did not change **out-of-network administrative and billing practices** previously raised in SFHSS renewal discussions and during public meetings of the Board.
- Non-Delta bidders **quoted lower ASO fees** than Delta.
- For this specific RFP and this specific benefit, **achieving the projected savings would require tradeoffs** in both network provider continuity and member reimbursement experience.
- Under a non-Delta bidder, SFHSS would move from a **three-tier plan design to a two-tier**.

RFP Summary and Background

- Staff completed the RFP in compliance with the RFP terms and conditions and SFHSS procurement rules, policies and procedures.
- Evaluation criteria were pre-established and applied as-issued.¹
- Staff is not advancing a preferred vendor.
- The Board is being asked to decide whether to accept the outcome of the competitive procurement process.

¹ See November 13, 2025 Board Presentation “SFHSS Announcement of Active Self-Funded Dental PPO” and RFP as posted December 9, 2025

RFP Summary and Background – Scope of Procurement

- Self-funded Dental PPO administered on an ASO¹ basis only
- Active employees and dependents only
- Retiree dental excluded
- RFP structured around selecting a single respondent

¹ Administrative Services Only

RFP Summary and Background – Goals and Objectives

- **Member impact:**¹
 - Maintain existing benefit design
 - Minimize disruption to member access to existing network of dental providers
- **Operational factors:**
 - Strong claims processing experience, comprehensive reporting, and robust client services
 - Effective implementation and support capabilities
 - Industry-leading member support and communications
- **Financial impact:**
 - Competitive ASO fees
 - Predictable reimbursement structure
 - Responsible stewardship of SFHSS Trust assets

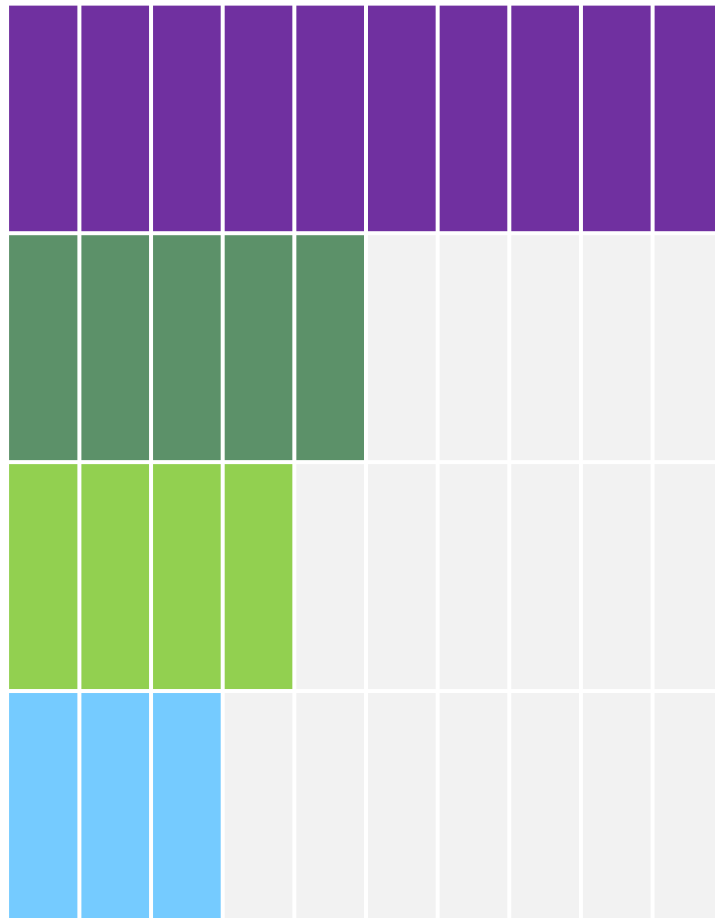
¹ See November 13, 2025 Board Presentation “SFHSS Announcement of Active Self-Funded Dental PPO”, including slide 17 *SFHSS Active Dental PPO Member Satisfaction Survey* (released August 25, 2025); see also Appendix pp. 32 – 35.

RFP Summary and Background – Schedule

Event	Date(s)
▪ Notification of Intent to Issue RFP	November 13, 2025
▪ RFP issued	December 9, 2025
▪ Notices of Intent to Bid/MCAs and NDAs ▪ Financial Q&A process	December 2025 – January 2026
▪ Phase 1 (Financial) Deadline for Proposals	January 9, 2026
▪ Notification of Respondents Eligible for Phase 2	January 26 – 28, 2026
▪ Non-Financial Q&A process	January – February 2026
▪ Phase 2 (Non-Financial) Deadline for Proposals	February 20, 2026
▪ Panel and Questionnaire Scoring Review Period	February 23 – April 17, 2026
▪ Oral Interviews	April 13 – April 17, 2026
▪ Presentation of RFP Results to Health Service Board	May 14, 2026

¹ See additional RFP process, steps and safeguards in Appendix

RFP Summary and Background – Minimum Qualifications and Qualified Respondents



10

Vendors executed a *Mutual Confidentiality and Non-Disclosure Agreement* with SFHSS

5

Vendors submitted Phase 1 (Financial) Proposals

4

Vendors that met *Minimum Qualifications* to bid

3

Vendors eligible for and submitted Phase 2 (Non-Financial) Proposals

RFP Summary and Background – Minimum Qualifications and Qualified Respondents *(cont.)*

- **Key minimum qualifications:**
 - ASO administrative model
 - Retain current PPO plan design and coverage levels
 - MAC/MPA OON methodology
 - Large public-sector capability
 - SFHSS and City contracting compliance

- **Qualified respondents *(in alphabetical order)*:**
 - Anthem
 - Delta Dental of California
 - MetLife

RFP Summary and Background – Scoring Framework

- By rule, scoring framework is established before proposals received.
- Financial and non-financial scoring categories applied as issued in the RFP.

Scoring Section(s)	Phase 1 Points	Phase 2 Points	Overall Points
▪ Financial (Claims and Fees)	25	0	25
▪ Network Strength and Access, Stability, and Pricing Methodology	14	11	25
▪ Claims Administration and Performance Guarantees	0	15	15
▪ Member Service and Digital Tools	0	5	5
▪ Reporting and Analytics	2	6	8
▪ Implementation and Account Management	0	12	12
▪ Oral Interview	0	10	10
Total	41	59	100

RFP Results

Final Ranking:¹

1. MetLife [75.02]
2. Anthem [72.05]
3. Delta Dental [64.25]

Scoring Sections	Points Available	Anthem	Delta	MetLife
<ul style="list-style-type: none"> ▪ Claims Reprice, Disruption, and Geo-Access, 3-Year ASO Fees, Enhanced Benefits for Qualifying Conditions. 	41.00	26.14	16.00	29.19
Phase 1 Subtotal	41.00	26.14	16.00	29.19
<ul style="list-style-type: none"> ▪ Claims Administration & Performance Guarantees 	15.00	12.88	12.90	11.59
<ul style="list-style-type: none"> ▪ Implementation and Account Management 	12.00	8.96	10.32	9.35
<ul style="list-style-type: none"> ▪ Network Strength, Stability & Pricing Methodology 	11.00	8.95	9.80	8.81
<ul style="list-style-type: none"> ▪ Oral Interview 	10.00	6.20	6.18	7.53
<ul style="list-style-type: none"> ▪ Reporting and Analytics 	6.00	4.51	4.82	5.09
<ul style="list-style-type: none"> ▪ Member Service and Digital Tools 	5.00	4.41	4.25	3.46
Phase 2 Subtotal	59.00	45.91	48.25	45.83
Total	100.00	72.05	64.25	75.02

¹ Detailed breakdown in Appendix

What the RFP Showed Us – Summary

Attribute	MetLife	Anthem	Delta Dental
Member Cost Predictability ¹	Lower	Lower	Higher
Financial Result for Trust ²	Most favorable	Favorable	Least favorable
Provider Continuity ³	Moderate	Lower	Higher
Transition Complexity ⁴	High	High	Low

¹ Member Cost Predictability reflects how easy it would be for members to estimate what the plan will pay, and what they may still owe if a dentist they use today is treated as out-of-network under a new administrator as of January 1, 2027.

² See slides 12 – 16 “What the RFP Showed Us – Financial Scoring (Claims)”

³ See slide 19 “What the RFP Showed Us – Disruption”

⁴ Transition Complexity reflects the implementation and member-support effort required; a selected *non-incumbent* would be expected to provide extensive transition support.

What the RFP Showed Us - Financial Scoring (Claims)

- Because Delta Dental's network is the most robust among the three (3) Phase 2 bidder networks, Delta Dental projects to have the lowest out-of-network utilization based on actual SFHSS utilization of dental PPO services analyzed between September 2024 and August 2025.
- The following is a distribution of unique active dental PPO plan services to SFHSS members over this 12-month period by in-network versus out-of-network dentists based on data reported by each bidder in their response to the claims repricing analysis request:

	Anthem	Delta Dental	MetLife
In-Network	211,937	396,373	250,255
Out-of-Network	240,772	56,336	202,454
Total	452,709	452,709	452,709
% In-Network	46.8%	87.6%	55.3%

** Based on service lines in the repricing file, not unique members*

What the RFP Showed Us - Financial Scoring (Claims)

- Primary in-network discounts were generally similar across the three Phase 2 bidders.
- The bigger differentiator is that Anthem and MetLife would treat more current care¹ as out-of-network [OON] than Delta Dental.
- Because OON services are generally reimbursed at lower levels and member cost-sharing is generally higher OON for many services than in-network, this shift lowers projected cost to the Trust.
- Member costs may be less predictable if members stay with OON dentists.
- This same OON risk exists in any PPO plan, but it becomes more significant when current care shifts out of the network.

Why Trust savings differ:

- More current care stays **in-network** under Delta
- More current care shifts **out-of-network** under Anthem and MetLife

¹ From the claims data period analyzed in the RFP September 2024 to August 2025

What the RFP Showed Us - Financial Scoring (Claims)

- MetLife and Anthem projected lower plan-paid claim costs than Delta Dental.
- That is mainly because more of the current care pattern would shift out-of-network under MetLife and Anthem.
- OON services are generally reimbursed at lower levels than in-network services.
- This lowers the cost to the Trust but may also increase member financial exposure if members stay with dentists who are OON as of January 1, 2027.

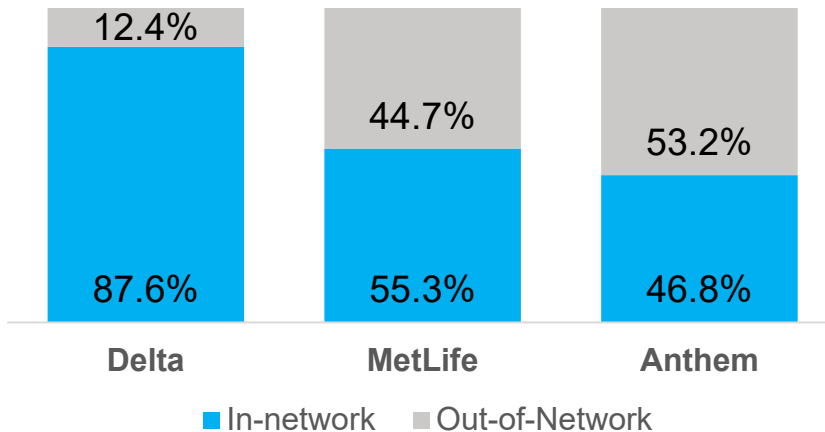
Why this matters to members:

- **In-network:** dentist accepts the plan's negotiated rate
- **Out-of-network:** member may owe the difference if the dentist charges more than the plan is willing to reimburse (known as "balance billing")

What the RFP Showed Us – Why Claims Costs Differed

- Delta keeps more of current care in-network.
- Anthem and MetLife would treat more current care as out-of-network.
- Out-of-network claims are generally paid at lower levels than in-network.
- That is the primary reason Anthem and MetLife projected lower claim costs than Delta.

Current Claims: In-Network vs. Out-of-Network

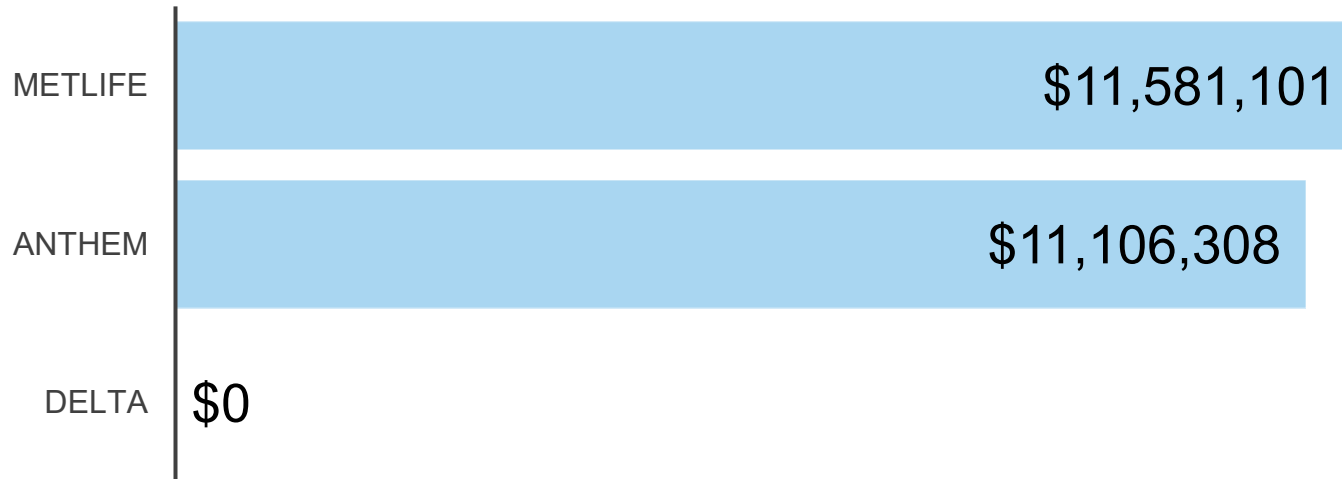


What the Board must balance:

- Projected Trust savings
- Provider continuity
- Member cost predictability

What the RFP Showed Us – Claim/Fee Differentials Forecast for 2027 (Estimated Annual Savings, Dental ASO-PPO PY2027)

Estimated Annual Trust Savings – Dental ASO-PPO PY2027

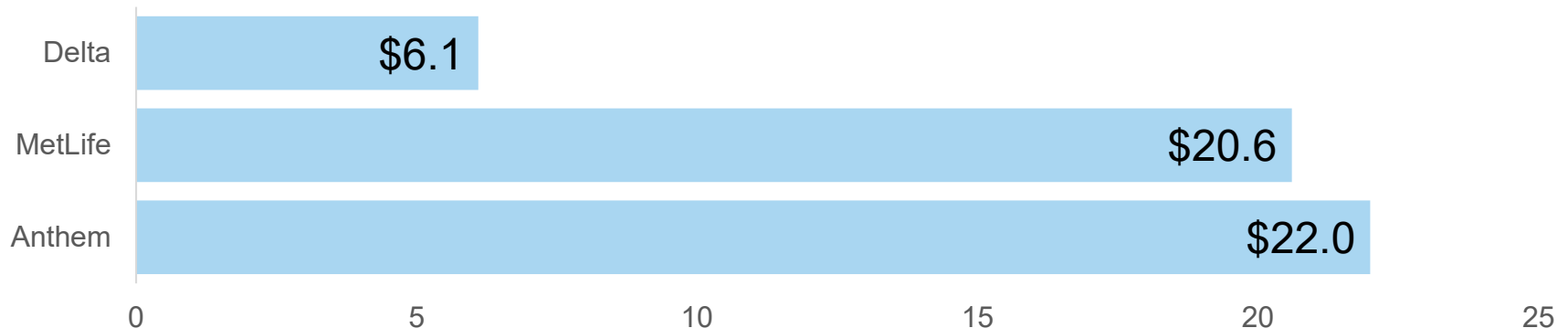


*estimate based on 2027 rating projection and quoted ASO fees

What the RFP Showed Us – Potential Balance Billing Exposure if Current Care Stays Out-of-Network (\$M)

- Potential member financial exposure is higher for members and dependents who continue using dentists that are out-of-network under MetLife or Anthem.

Potential Member Balance Billing Exposure¹ if Current Care Stays Out-of-Network (M)²

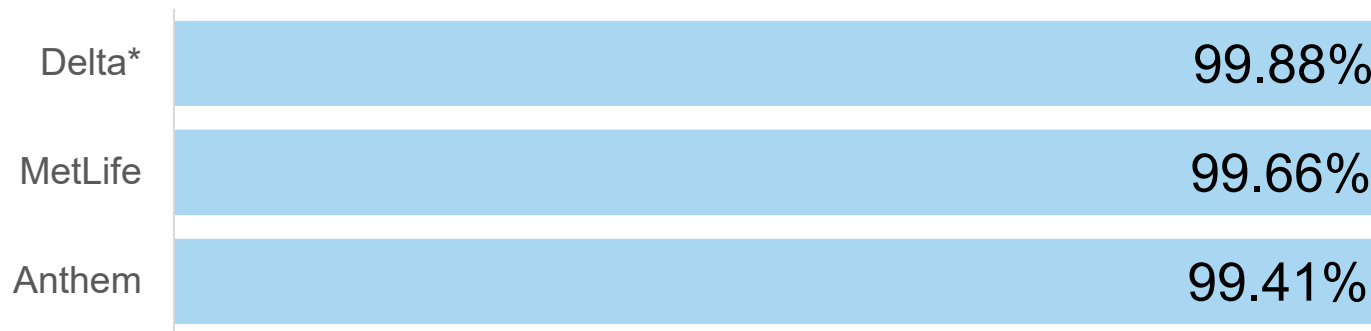


¹ maximum exposure measure based on repricing analysis if members continue using dentists who would be treated as out-of-network.

² this chart shows balance billing exposure only, not plan co-insurance cost-sharing

What the RFP Showed Us – Provider Network Access

- Provider network geographic access analysis (e.g., “geo-access”) measures the ability for members to find in-network providers (general dentists as well as specialists) within reasonable geographic proximity¹ to a member's home zip code.
- All three Phase 2 bidders showed strong geographic provider access for the SFHSS population.
- Delta has the highest overall geo-access score, with MetLife and Anthem slightly lower.
- Differences in geo-access were not the main driver of the final ranking.



*includes Premier

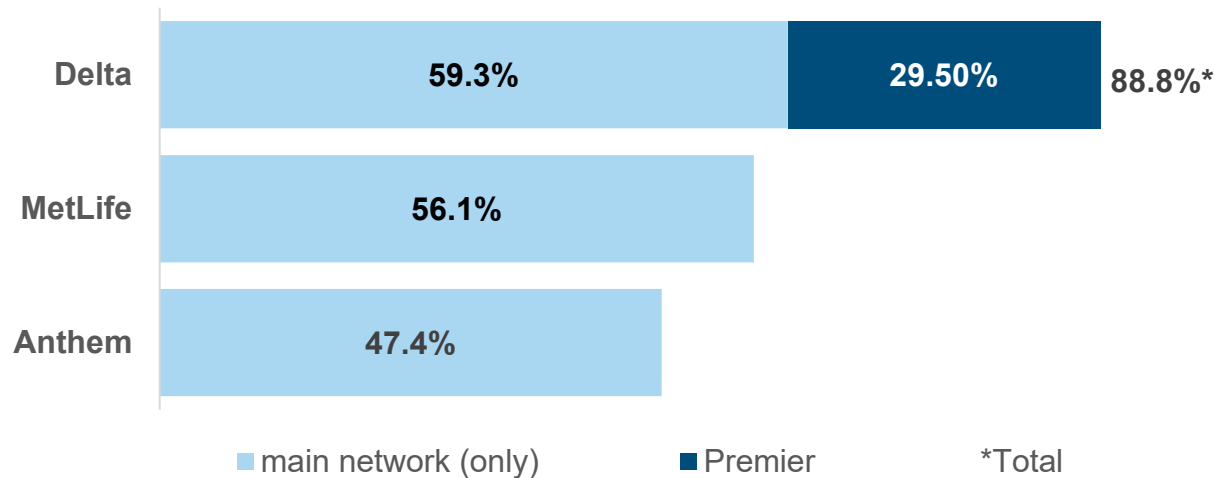
■ Weighted Total

¹ See Appendix Slide 31 “Geo-Access Mileage”

What the RFP Showed Us – Disruption

- Provider network disruption results – the ability to use "my dentist" as an in-network provider – varied materially across all three Phase 2 bidders.
- Delta has the highest continuity with current providers and utilization.
- MetLife preserves more current relationships (primary and secondary) than Anthem but fewer than Delta.
- Disruption is a significant factor in the final scoring.

% of current provider network remaining in-network



Active Employee Dental PPO Plan Design – Delta Dental

PPO Plan Design Elements (2026)

Plan Feature	PPO Dentists	Premier Dentists	Out-of-Network
Choice of Dentist	You may choose any licensed dentist. You will receive a higher level of benefit and lower out-of-pocket costs when using a Delta Dental PPO network dentist.		
Annual Deductible	No deductible		
Annual Plan Year Maximum	\$2,500 per person (excluding orthodontia and diagnostic/preventive services)		
Covered Services			
Cleanings and Exams	100% covered	100% covered	80% covered
X-rays	100% covered	100% covered	80% covered
Extractions	90% covered	80% covered	60% covered
Fillings	90% covered	80% covered	60% covered
Crowns	90% covered	80% covered	50% covered
Dentures/Pontics/Bridges	50% covered	50% covered	50% covered
Endodontic/Root Canals	90% covered	80% covered	60% covered
Oral Surgery	90% covered	80% covered	60% covered
Implants	50% covered	50% covered	50% covered
Orthodontia	50% covered to a \$2,500 Lifetime Maximum	50% covered to a \$2,000 Lifetime Maximum	50% covered to \$1,500 Lifetime Maximum
Night Guards	80% covered (1 x 3 years)	80% covered (1 x 3 years)	80% covered (1 x 3 years)
NOTE: This exhibit contains plan summary information only. For a more detailed description of benefits and exclusions for each plan, please review the plan's Evidence of Coverage (EOC), available on sfhss.org			

Active Employee 2027 Dental PPO Plan Rates

MetLife as Carrier

2027 TOTAL COST RATE DEVELOPMENT - MetLife

	EE Only	EE + 1	EE + 2+
January 2026 Enrollment (32,362 enrolled employees)	12,742	8,274	11,346
2027 Self-Insured Pre-Stabilization Rates (monthly)	\$51.75	\$108.69	\$155.26
Claims Stabilization Buy-Down (\$1,358,000 total)*	(\$1.76)	(\$3.70)	(\$5.28)
2027 Self-Insured Recommended Rates (monthly)	\$49.99	\$104.99	\$149.98
2027 Self-Insured Recommended Rates (bi-weekly)	\$23.07	\$48.46	\$69.22

Key Takeaways

- **Non-Delta** bidders showed a high potential for network provider disruption to SFHSS Members.
- Under a non-Delta bidder, SFHSS would move from a **three-tier plan design to a two-tier plan**.
- Delta did not change **out-of-network administrative and billing practices** previously raised in SFHSS renewal discussions and during public meetings of the Board.
- Non-Delta bidders **quoted lower ASO fees** than Delta.
- For this RFP, **achieving the projected savings would require tradeoffs** in both network provider continuity and member reimbursement experience.
- The **RFP provided SFHSS with current benchmarks** for pricing, disruption, access, and service.

Summary

- SFHSS staff has conducted the RFP as issued.
- The RFP scoring identified the highest-ranked proposer.
- The Board may accept or not accept the highest-ranked proposal from the RFP.
- If the Board does not accept the highest-ranked proposal from the RFP, it may consider the backup renewal path as a separate Action Item.

Board Action

Action Item:

- ❑ **Take action on the result of the Active Dental ASO-PPO RFP**
 - If accepted, Board to direct SFHSS to proceed with the highest-ranked respondent per terms of the RFP and Board Governance Section 207;
 - If not accepted: Board to direct SFHSS to make no award under the RFP.

If Action Item is not accepted by Board, SFHSS recommends the Board consider today’s next Board agenda item “Active Employee Delta Dental PPO Plan Renewal 2027” as a separate Board action item.

Appendix

Appendix – SFHSS RFP Process and Safeguards

- Public notice to Board before issuance (November 12, 2025)
- Two-phase RFP process (*see Slide 11*)
- Minimum qualifications established in advance (*RFP Sec. 3.1*)
- Scoring criteria established in advance (*RFP Sec. 6.2*)
- Qualified respondents evaluated under same criteria, framework and weighting
- Independent panel scoring (*February – April 2026; RFP Secs. 6.2 and 7.1*)
- Oral interviews conducted (*April 2026; RFP Sec. 6.3*)
- Results brought back and presented publicly to Board (May 14, 2026)

Appendix – Scoring Criteria: Phase 1 – Financial

Scoring Section(s)	Points Available	Anthem	Delta	MetLife
▪ Claims Repricing	20.00	13.54	0.00	20.00
▪ Disruption Analysis	8.00	0.00	8.00	2.30
▪ Geographical Access	6.00	5.60	6.00	5.89
▪ ASO Fees	5.00	5.00	0.00	0.00
▪ Enhanced Benefits for Qualifying Conditions	2.00	2.00	2.00	1.00
Total	41.00	26.14	16.00	29.19

Appendix – Scoring Criteria: Phase 2 – Non-Financial

Scoring Section(s)	Points Available	Anthem	Delta	MetLife
▪ Claims Administration and Performance Guarantees	15.00	12.88	12.90	11.59
▪ Implementation and Account Management	12.00	8.96	10.32	9.35
▪ Network Strength and Access, Stability, and Pricing Methodology	11.00	8.95	9.80	8.81
▪ Oral Interview	10.00	6.20	6.18	7.53
▪ Reporting and Analytics	6.00	4.51	4.82	5.09
▪ Member Service and Digital Tools	5.00	4.41	4.25	3.46
Total	59.00	45.91	48.25	45.83

Appendix - Non-Financial Evaluation Categories

Categories	Goals, Objectives and RFP Requirements
Network Strength & Stability	<ul style="list-style-type: none"> ▪ Robust Bay Area provider access ▪ Maintain continuity for current members ▪ Carrier partnerships that retain and grow dentists within network
Claims Accuracy & Administration	<ul style="list-style-type: none"> ▪ Transparent reporting ▪ Measurable performance guarantees ▪ Timely, accurate and transparent claims processes
Member Experience, Service and Preventative Care	<ul style="list-style-type: none"> ▪ Excellent customer service and multilingual support ▪ Digital tools that enhance usability and satisfaction ▪ Address chronic conditions, tie-ins to health plan partners
Reporting & Analytics	<ul style="list-style-type: none"> ▪ Improve visibility into service utilization and trend drivers ▪ Trust-fund cost transparency through timely data feeds and dashboards
Implementation & Account Management	<ul style="list-style-type: none"> ▪ Partner with an experienced public-sector account team to ensure a seamless transition and sustained operational performance

Appendix – Geo-Access Mileage

Geographical access (“Geo-access”) was measured from members’ home zip codes using urban, suburban, and rural distance criteria that vary by provider type.

General Dentist

- Urban: 2 within 5 miles
- Suburban: 2 within 10 miles
- Rural: 2 within 20 miles

Specialists (periodontist, orthodontist, oral surgeon, endodontist)

- Urban: 1 within 5 miles
- Suburban: 1 within 15 miles
- Rural: 1 within 25 miles

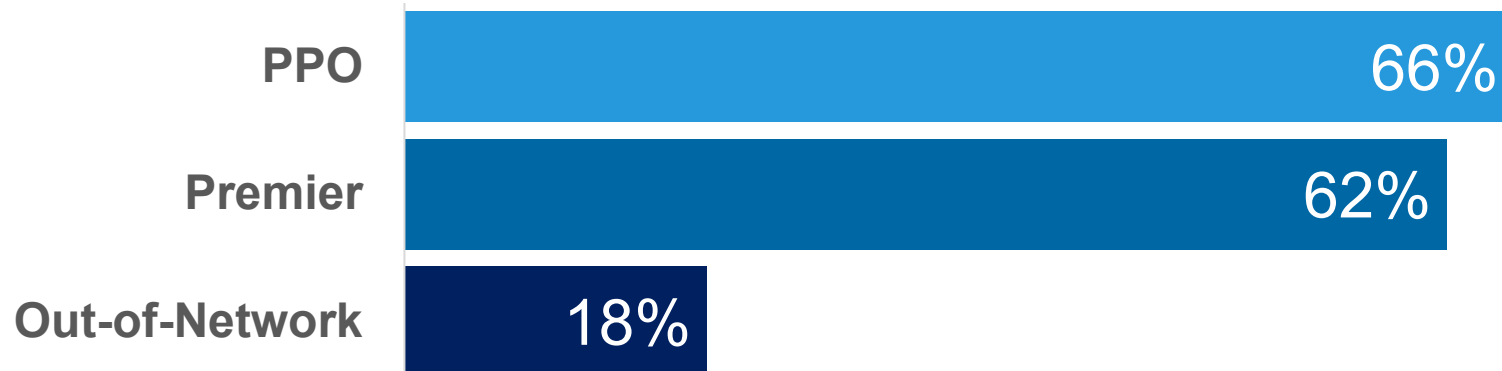
Appendix – SFHSS Active Dental PPO Member Satisfaction Survey ¹

- Target population: SFHSS Active Employee Members enrolled in the Delta Dental PPO Plan
- Released: August 25, 2025 (for 31 days)
- Themes and findings can contribute to RFP development
- Over 2,500 responses received
- 95% confidence level with a 2% margin of error on the results
- 97% indicated they have received dental care in the past 24 months

¹ Slide from SFHSS presentation to the Board “ASO-PPO Dental Benefits RFP Announcement” on November 13, 2025

Appendix – SFHSS Active Dental PPO Member Satisfaction Survey – Preliminary Findings (*cont.*)¹

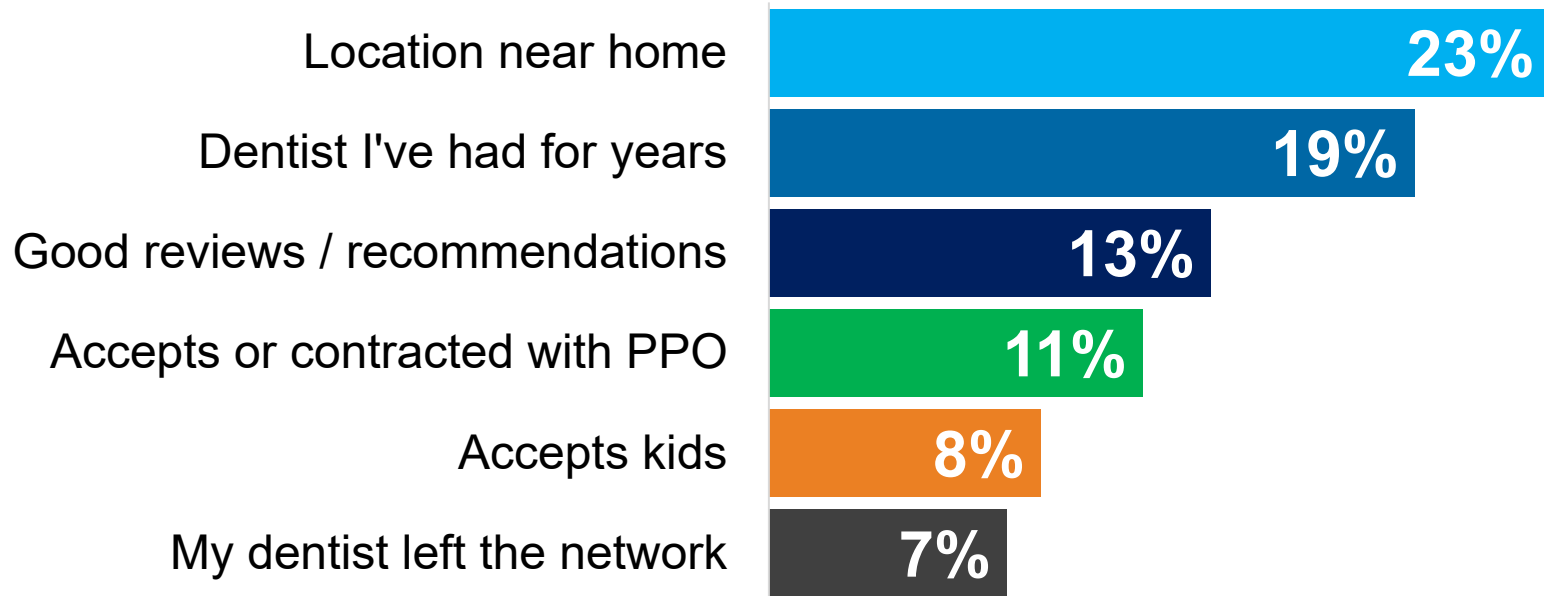
Survey respondents more likely to rate their experience of an in-network provider as either “Good” or “Excellent”.



¹ Slide from SFHSS presentation to the Board “ASO-PPO Dental Benefits RFP Announcement” on November 13, 2025

Appendix – SFHSS Active Dental PPO Member Satisfaction Survey – Preliminary Findings (*cont.*)¹

Top reasons for selecting a general dentist or specialist



¹ Slide from SFHSS presentation to the Board “ASO-PPO Dental Benefits RFP Announcement” on November 13, 2025

Appendix – SFHSS Active Dental PPO Member Satisfaction Survey – Preliminary Findings (*cont.*)

Ranked importance of plan features

1. Broad network of dentists
2. Access to dental specialists
3. Ease of getting appointments
4. Current dentist is in-network
5. Customer service from plan
6. Digital Tools
7. Provider Search Tool
8. Cost Estimator Tool
9. Timely processing of claims
10. Interpreter or Language Assistance