What is a Percentile?
A percentile is not a percentage. A percentile is a level representing the range of dentists’ billed fees for a given procedure in a given geographic area. For example, 10 dentists in the same area may charge 10 different fees for a crown. The defined percentile establishes the maximum allowable fee for every procedure.

How Percentiles Are Determined
To determine percentiles, all dentists’ billed fees for every procedure are rank ordered from lowest to highest; each percentile lies based on that order as the following graph illustrates. If reimbursement is set at the 90th percentile, the applicable fee (in this case, the 9th highest fee out of 10) becomes the maximum reimbursement amount.

Since, by definition, many dentists’ usual fees are below the 90th percentile fee, reimbursement is always based on the lesser of the dentist’s billed fee for a given procedure or the 90th percentile fee. This means that 90 percent of dentists’ billed fees will be covered in full relative to the group plan coinsurance level.
What Percentiles Mean

Contrary to common perception, the 90th percentile does not mean 10 percent savings or 10 percent discount. Similarly, the 80th percentile is not 10 percent less than the 90th percentile. Actual savings are determined by the fees in the sample and where the fee in question fits within that sample.

The following are percentiles/maximum fees from a national commercial fee database for procedure code 2750 (crown) for 3-digit ZIP code 601 and the amount balance billed to the enrollee assuming a dentist’s billed charge of $1,200:

<table>
<thead>
<tr>
<th>PERCENTILE</th>
<th>MAXIMUM FEE</th>
<th>BALANCE BILL</th>
</tr>
</thead>
<tbody>
<tr>
<td>90th</td>
<td>$1,121</td>
<td>$79 ($1,200 - $1,121)</td>
</tr>
<tr>
<td>80th</td>
<td>$1,060</td>
<td>$140 ($1,200 - $1,060)</td>
</tr>
<tr>
<td>70th</td>
<td>$1,027</td>
<td>$173 ($1,200 - $1,027)</td>
</tr>
</tbody>
</table>

In this example, the 80th and 70th percentile fees are 5.4 percent and 8.4 percent, respectively, lower than the 90th percentile fee. These percentages vary considerably on a procedure-by-procedure basis and by fee database (i.e., carrier proprietary, Ingenix HIAA, Ingenix MDR, etc.).

Why Percentile “Comparisons” Aren’t Valid

Another common misperception is that percentiles from different carriers can be compared side-by-side. The reality is a number of variables affect the fees on which the percentile is based, and therefore the end result, such as:

- **Which fees were chosen** – the procedures used to derive the percentile can change from one carrier to the next
- **What area is represented** – fees can change based on geographical area, and different carriers set boundaries differently
- **How many fees are available** – if there is insufficient fee data, the result will not be representative
- **When the sample was taken** – fees increase over time, which means percentiles drift downward as fees increase (e.g., a year after it’s introduced, the 75th percentile typically will drift down to the 60th)

Delta Dental PPO Plus Premier “Safety Net” – Dramatically Increasing Network Utilization

Delta Dental’s Premier® network, which works in conjunction with our PPO and serves as a safety net for enrollees who do not go to PPO dentists, significantly increases network utilization (thereby reducing the number of out-of-network claims) as compared to other carriers’ PPO-only solutions.

Multi-line carriers’ PPO network utilization is typically 20–40 percent, leaving the majority of enrollees out-of-network where neither they nor the group realize any savings other than from R&C “cutbacks” to the defined R&C percentile.

With Delta Dental PPO Plus Premier, however, network utilization is typically 65–85 percent – so only 15–35 percent of enrollees go out-of-network versus 60–80 percent with multi-line carriers.
Delta Dental Premier discounts, though smaller than our PPO discounts, nonetheless virtually always produce savings for the group when compared to multi-line carriers’ plans that base out-of-network reimbursement on the lesser of the dentist’s billed charge or the 90th percentile fee. And, with Delta Dental, 65–85 percent of enrollees go to fully credentialed dentists and are protected from balance billing and procedure unbundling, as well as being covered by our treatment guarantees.

These are but a few of the reasons why Delta Dental is by far the largest dental benefits carrier in the industry with a 32.6 percent national market share, larger than Aetna’s (8.2 percent), CIGNA’s (6.6 percent), Guardian’s (3.5 percent) and MetLife’s (13.0 percent) market share combined.**

* In vast majority of cases; discounts are off average submitted charges.
