



**Dental Administration Audit
of Delta Dental (DDKS)**

Summary Report

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**Prepared for
The State Employee Health Plan
State of Kansas**

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Executive Summary

Sagebrush Analytic Solutions LLC (Sagebrush) was engaged by the State Employee Health Plan (SEHP), State of Kansas (SOK), to review and evaluate the dental claims processing services provided on behalf of the SEHP employee benefit plan by Delta Dental of Kansas for calendar year 2024.

SEHP directed Sagebrush to conduct an audit of the administration of the dental benefits to determine overall claims processing accuracy and efficiency, and to identify opportunities for improved administration.

In addition to conducting a statistical audit to verify administrative accuracy, Sagebrush conducted the following tests:

- Review of a sample of dental claims to the corresponding provider contracts;
- Determine the value, if any, of claims paid for ineligible participants;
- Interrogate the claims data electronically for clinical edits (procedure codes), duplicate payments and specific plan provisions and exclusions; and
- Verify the payments to providers and corresponding draw from the SEHP funds.

Sagebrush conducted the review of claims remotely starting on June 1, 2025. During this review, the audit team tested a statistical sample of 250 dental claims for financial and processing accuracy. The claims were tested for eligibility, timeliness, payment accuracy and adherence to plan benefits and administration procedures. The sample was selected from the population of 173,276 SEHP dental claims, totaling \$28,021,747.62, processed between January 1, 2024 and December 31, 2024.

Based on Sagebrush's review of the claims data, contracts, and other documents and information provided for audit, Delta Dental administered the dental benefits within the scope of the contract with SEHP during the 2024 calendar year. The following summary provides an overview of the audit findings along with Sagebrush's observations and recommendations. The complete audit results are discussed in the body of the report.

Summary of Findings

Dental Statistical Sample Review

The statistical review of 250 sampled claims did not identify any errors.

The overall financial accuracy of the claims administered by Delta Dental in 2024 is 100%. The performance guarantee for financial accuracy is 99.25%. The calculated payment or dollar accuracy from the audit is 100%. The calculated procedural accuracy is 100.00%, compared to the Delta Dental performance guarantee of 97.00%.

Delta Dental met both the financial accuracy and processing accuracy performance guarantees for the 2024 audit period.

Focused Review Results

In addition to the statistical claim review, Sagebrush electronically tested the claims data to identify potential duplicate claim payments, analyzed dental claim payments utilizing clinical editing software, identified participants with claim payments after coverage terminated, and tested specific benefit provisions and exclusions. The chart below is a summary of the testing that was completed.

Table 1: Electronic Testing Summary

Test Conducted	Description of Test	Total Overpaid Amount	Rating *
Frequency edits, e.g., more than 2 prophylaxes in a year.	Identify members with services that exceed the frequency limit per plan year, e.g., more than 2 prophylaxes in a year.	\$330.00	●
Billing more than one one-surface filling on a tooth (instead of using the code for 2 surfaces).	Identify claims where a provider billed for 2 one-surface fillings on the same tooth on the same date	\$0.00	●
Provider billed for excessive number of patients seen in one day.	Electronically identify providers that appear to have treated an excessive number of patients (more than 12) in one day.	\$0.00	●

Test Conducted	Description of Test	Total Overpaid Amount	Rating *
Claims Paid for Ineligible Members	Electronically compare claims data to eligibility data to identify claims payments on behalf of ineligible participants	\$691.80	●
Duplicate Payments	Electronically test claims data for duplicate payments for the same service for the same participant	\$1,520.60	●
TOTALS		\$2,542.40	

Sagebrush reviewed the electronic results and provided Delta Dental with a file 50 potentially erroneous claims. Delta Dental reviewed the claims and provided a response with additional documentation to support each position.

Exceeds Frequency Limitations

Sagebrush electronically tested the paid claims data to identify any members that had more than two (2) dental cleanings or periodontal maintenance services in the plan year. There were six (6) claims included in the file of 50 claims sent to Delta Dental, with a potential net overpayment of \$403.00.

- Delta Dental agreed with five (5) of the errors. The errors were addressed with the processors with additional training. A Guarantee of Service Payment will be made to the group in the amount of \$330.00
- On the remaining claim, a refund was received for one (1) of the dates of service prior to the audit.

One-surface Filling vs. Two-surface Filling

Sagebrush did not identify any claims in the review where it appeared that the provider had billed for more than one one-surface filling for the same tooth on the same date of service.

Provider Billing for Excessive Patients Seen in One Day

Sagebrush tested the paid claims data to identify possible provider fraud where the provider appeared to have treated an excessive number of patients in one day.

Based on the review, Sagebrush did not identify any instances of provider billing fraud. A Dental Hygienist usually sees the patients for cleanings, while the services, such as fillings, root canals, etc. are performed by the Dentist.

Duplicate Payments

Duplicate payments - Sagebrush's review of the potential duplicate payments identified 20 possible errors resulting in an overpaid amount of \$1,978.60.

- Delta Dental agreed to 15 of the errors totaling \$1,520.60. Delta Dental states the claims were paid in error. The errors were addressed with the processors with additional training. A Guarantee of Service Payment will be made to the group in the amount of \$1,520.60.
- Delta Dental disagreed with one (1) of the claims, totaling \$107.00. The was paid in error and addressed with the processor with additional training. Refund for payment under claim 202423900022 was requested 1/06/25 and was received 1/24/25.
- Delta Dental disagreed with one (1) claim totaling \$94.00, stating that a corrected claim was received. The Processor paid the correction on claim 202422820503 and submitted a refund request for the payment on claim 202416261362. The refund was requested on 8/15/24 and has not been received.
- One (1) claim totaling \$14.00 was paid in error. The error was addressed with the processor with additional training. The refund for payment under claim 202424203837 was requested 4/10/25 and has not been received.
- One (1) claim was received indicating that claim 202401171675 was submitted under the wrong provider. A refund was requested on 5/24/24 under claim 202401171675 and the claim was processed under the corrected provider on claim 202441582074. The refund for 2024401171675, totaling \$243.00, has not been received.

Claims Paid for Ineligible Members

Sagebrush ran the eligibility file that was received from the State of Kansas against the paid claims data provided by Delta Dental to identify claims paid for members that were no longer eligible for coverage. Sagebrush included twenty-four (24) members with paid claims totaling \$4,510.37 in the 50 potential exceptions sent to Delta Dental resulting from electronic focused testing.

- Delta Dental agreed with five (5) members with claims totaling \$691.80. The errors were addressed with the processors and a Guarantee of Service Payment will be made to the Group in the amount of \$691.80.
- Claims for seven (7) members, with a total paid amount of \$984.00 were identified through an automated process when retro terminations are received. A refund request was initiated and repayment was received for three (3) of the claims, totaling \$540.00, prior to the audit. The refunds on four of these claims, totaling \$444.00, have not been received as of the audit. DDKS has issued a Guarantee of Service payment for these claims.

- One (1) member, with claims totaling \$93.00, was identified through an automated process when retro terminations are received. A refund request was initiated however, as of 6/29/25 refund has not been received.
- Six (6) members with claims totaling \$995.00 show active coverage on the dates of service. Delta Dental states that the electronic eligibility files did not show the member's terminating on the dates shown on the 2024 eligibility file provided to Sagebrush for the audit. Per the Delta Dental SEHP membership team, the members have now been terminated due to lack of presence on the December 2024 eligibility file.
- Delta Dental states three (3) members with claims totaling \$1,042.50, are shown in the electronic eligibility files as having active coverage through 1/1/25.
- Delta Dental shows one (1) member with active coverage effective 9/1/24 with no lapse in coverage.
- Delta Dental shows one (1) member with coverage through 9/30/24. These claims total \$6.77. the eligibility file shows the termination date of 7/31/24.

Turnaround Time

Turnaround time (TAT) is defined as the total number of days needed to process a claim. The calculation covers the period from the day the claim is received to the day the claim payment is processed, suspended, or denied.

Turnaround time is significant from several perspectives. Claims that do not receive prompt consideration when they are submitted can potentially cause participant and provider relation difficulties. Secondly, when claim adjudication does not occur promptly, claims are re-submitted by claimants and providers, increasing claim volume as well as the probability that duplicate claim payments will occur. In addition, delays in processing claims can have an adverse impact on Incurred-but-Not-Reported (IBNR) claims calculations, experience rating and projected loss ratios.

Most claim administrators strive to process 85.00% - 90.00% of all claims within 14 calendar days and 99.00% within 30 calendar days. The reported Delta Dental office target for TAT is 95.00% of all clean claims within 14 business days, excluding adjustments. The performance guarantee between Delta Dental and SEHP is to process 95.00% of all claims within fourteen (14) business days and 99.00% of all claims within thirty (30) business days, with an amount of \$500.00 at risk, per quarter, if this metric is not met.

The following table represents the TAT statistics for the Delta Dental claim population for claims incurred and processed during the period January 1, 2024 through December 31, 2024.

Table 2: Claim Population Turnaround Time for Calendar Year 2024

Business Days	Number of Claims	Percentage of Population	Cumulative Calendar Days	Cumulative Number of Claims
0 - 10 days	161,875	93.42%	161,875	93.42%
11 - 14 days	7,083	4.09%	168,958	97.51%
15 - 30 days	3,210	1.85%	172,168	99.36%
> 30 days	1,108	0.64%	173,276	100.00%
Total	173,276	100.00%		

The analysis indicates that Delta Dental processed 97.51% of all claims within 14 business days of receipt and 99.36% of claims within thirty (30) days. The calculation is based on business days, Monday through Friday. Sagebrush did not remove any holidays.

The analysis shows that Delta Dental met both the performance guarantee of 95.00% of all claims within fourteen (14) business days and the performance guarantee of 99.00% of claims within thirty (30) business days.

Overall Findings and Resolutions

Findings and Resolutions

The project results indicate that Delta Dental’s performance relative to claims accuracy and timeliness and operational efficiency is within acceptable standards and guidelines. Sagebrush’s overall conclusion based on the results of the claim reviews, the observations during the remote review and the analysis of the administrative questionnaire is that Delta Dental claims operations appear to be appropriate and efficient.

The following information provides a summary of Sagebrush’s general observations and recommendations relative to the claims and operational review and electronic testing. Additional information is provided in the corresponding sections of this report.

Random Sample

Sagebrush did not identify any erroneous claim payments in the 250-claim random sample.

Exceeds Frequency Limitations

Sagebrush electronically tested the paid claims data to identify any members that had more than two (2) dental cleanings or periodontal maintenance services in the plan year. There were six (6) claims included in the file of 50 claims sent to Delta Dental, with a potential net overpayment of \$403.00.

- Delta Dental agreed with five (5) of the errors. The errors were addressed with the processors with additional training. A Guarantee of Service Payment will be made to the group in the amount of \$330.00
- On the remaining claim, a refund was received for one (1) of the dates of service prior to the audit.

One-surface Filling vs. Two-surface Filling

Sagebrush did not identify any claims in the review where it appeared that the provider had billed for more than one one-surface filling for the same tooth on the same date of service.

Provider Billing for Excessive Patients Seen in One Day

Sagebrush tested the paid claims data to identify possible provider fraud where the provider appeared to have treated an excessive number of patients in one day.

Based on the review, Sagebrush did not identify any instances of provider billing fraud. A Dental Hygienist usually sees the patients for cleanings, while the services, such as fillings, root canals, etc. are performed by the Dentist.

Duplicate Payments

Duplicate payments - Sagebrush's review of the potential duplicate payments identified 20 possible errors resulting in an overpaid amount of \$2,489.60.

- Delta Dental agreed to 15 of the errors totaling \$1,520.60. Delta Dental states the claims were paid in error. The errors were addressed with the processors with additional training. A Guarantee of Service Payment will be made to the group in the amount of \$1,520.60.
- Delta Dental disagreed with one (1) of the claims, totaling \$107.00. The was paid in error and addressed with the processor with additional training. Refund for payment under claim 202423900022 was requested 1/06/25 and was received 1/24/25.
- Delta Dental disagreed with one (1) claim stating that a corrected claim was received. The Processor paid the correction on claim 2-4228-205-03 and submitted a refund request for the

payment on claim 2-4162-613-62. The refund was requested on 8/15/24 and has not been received.

- One (1) claim was paid in error. The error was addressed with the processor with additional training. The refund for payment under claim 202424203837 was requested 4/10/25 and has not been received.
- One (1) claim was received indicating that claim 202401171675 was submitted under the wrong provider. A refund was requested on 5/24/24 under claim 202401171675 and the claim was processed under the corrected provider on claim 202415820744. The refund for 202401171675 has not been received.

Claims Paid for Ineligible Members

Sagebrush ran the eligibility file that was received from the State of Kansas against the paid claims data provided by Delta Dental to identify claims paid for members that were no longer eligible for coverage. Sagebrush included twenty-four (24) members with paid claims totaling \$4,510.37 in the 50 potential exceptions sent to Delta Dental resulting from electronic focused testing.

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- Claims for seven (7) members, with a total paid amount of \$984.00 were identified through an automated process when retro terminations are received. A refund request was initiated and repayment was received for three (3) of the claims, totaling \$540.00, prior to the audit. The refunds on four of these claims, totaling \$444.00, have not been received as of the audit. DDKS has issued a Guarantee of Service payment for these claims.
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- Delta Dental states three (3) members with claims totaling \$1,042.50, are shown in the electronic eligibility files as having active coverage through 1/1/25.
- Delta Dental shows one (1) member with active coverage effective 9/1/24 with no lapse in coverage.
- Delta Dental shows one (1) member with coverage through 9/30/24. These claims total

\$6.77. the eligibility file shows the termination date of 7/31/24.

Conclusion

Delta Dental agrees with the findings as outlined in the report and will issue a Guarantee of Service Payment for \$2,542.40 to SEHP.

A separate Guarantee of Service Payment for \$444.00 is being issued for the four (4) eligibility claims where a refund had been requested but not received.