

Frequently Asked Questions (FAQs) Regarding the Proposed Settlement Between Washington Dental Service (WDS) / Delta Dental of Washington (DDWA) and the Washington State Dental Association (WSDA)

Why did the WSDA and WDS/DDWA begin communicating?

In early May, as dental offices began re-opening, the WSDA reached out to DDWA to talk about continued support for dentists due to COVID-19. It was after that request that we scheduled our first meeting in over 10 years to talk about COVID-19 and a way forward in building an effective working relationship.

How frequently do you meet?

A small workgroup has met twice a week since early May and a larger negotiations group including Dr. Dennis Bradshaw, President of the WSDA and Mark Mitchke, President and CEO of WDS/DDWA has been meeting weekly.

What does the team work on?

In our initial meeting we talked about how the WSDA and WDS/DDWA have very similar nonprofit missions focused on improving oral and overall health in Washington and that we have more common interests than divergent perspective. We then shared our respective perspectives on events of the past that shaped perceptions and shut down communications. Additionally, we talked about how we can work through the issues of the past to ensure a better working relationship for the future. From that meeting forward we have worked together to redraft portions of the WDS Bylaws to address ongoing concerns of Member Dentists and develop a Memorandum of Understanding that outlines how we will work together on topics of mutual interest for years to come. Through this work we have fostered discussion on how to settle the current lawsuit, *Bradshaw, Irwin, Russell, Washington State Dental Association v. Washington Dental Service*.

Who is on the settlement negotiation teams?

Bracken Killpack, WSDA Executive Director, Dr. Dennis Bradshaw, WSDA President, Dr. Nathan Russell, WSDA Secretary-Treasurer, Todd Irwin DDS, WSDA Board of Directors, Mark Mitchke, President & CEO WDS/DDWA, Dr. Chris Pickel, Member Director WDS/DDWA Board of Directors, Dr. Eve Rutherford, Member Director WDS/DDWA Board of Directors, Brad Berg, Chief Operating & Financial Officer WDS/DDWA and Cindy Snyder, Vice President Network Strategy and Business Enablement WDS/DDWA.

Why are the settlement negotiations happening now?

For nearly two years, the new CEO of WDS/DDWA, Mark Mitchke, has been talking to dentists to understand what is working well with DDWA and what is not. His hope from early in his tenure was to work with WSDA - believing that we all have mutual interests that can be advanced more quickly if we work together. This sentiment and commitment to improving the Member Dentist relationship is held by the entire WDS/DDWA Board. COVID-19 presented a unique opportunity to begin working together and building trust.

Through the thoughtful leadership of Dr. Dennis Bradshaw and Mark Mitchke, the team has been committed to finding common ground and working collaboratively through honest dialogue and mutual respect. We have all been so encouraged by the speed of our progress and are thankful for the collaborative and expert counsel of the dentists on the negotiating team, Dr. Bradshaw, Dr. Todd Irwin, Dr. Nathan Russel, Dr. Eve Rutherford and Dr. Chris Pickel. We would not be this far without their leadership, openness and candor.

How have the settlement negotiations impacted the lawsuit?

During this time of collaboration both teams agreed to a temporary pause on litigation activities. Our hope is that Member Dentists will vote to approve the proposed amendments to the WDS Bylaws at the November annual meeting as the parties to both sides of this litigation believe our objectives can be addressed adequately without continuing the lawsuit.

What are the benefits of the proposed settlement to Member Dentists?

The proposed changes to the WDS Bylaws are significant and give dentists a stronger voice in the governance of WDS. Here are some of the key changes:

- Provides for a Member Nominating Panel of which 50% of the Members are assigned by organized dentistry. This panel is responsible for identifying, vetting and recommending candidates for both the Member Advisory Panel (MAP) and Member Directors for the WDS Board of Directors.
- Gives Member Dentists, along with WDS, the power to approve or disapprove changes to certain key governance related provisions of the Bylaws thereby future-proofing Members' role in WDS's governance.
- Establishes mediation requirements for governance disputes to ensure the parties of a dispute discuss issues before moving to litigation.
- Provides that a Member Director serves as Chair of the WDS Board on a regular rotation.
- Provides that a Member Director serves as Chair of the WDS Governance and Nominating Committee on a regular rotation.
- Moves the MAP from the DDWA subsidiary to the holding company, WDS, and is controlled by the WDS Bylaws with Member input.
- Expands the MAP allowing for greater representation and diversity.
- Requires new communication channels for the MAP providing a means for Member Dentists to submit items for the MAP agenda and receive the outcomes of those agenda items following the MAP meetings.
- Allows for virtual Annual meetings and electronic voting, making it more convenient for all Member Dentists to participate.

How does the role of the Member Advisory Panel (MAP) change under the proposed Bylaws?

Under the new Bylaws changes, the MAP moves from the DDWA subsidiary to the holding company, WDS, and is controlled by the WDS Bylaws with Member input. The MAP is expanded from 10 Members to 18 Members, 15 being at-large dentists from the Membership and 3 Member Directors. The expanded MAP will provide greater representation for DDWA Members and greater diversity. Additionally, the MAP Chair, a position currently held exclusively by a Member Director, will rotate every

two years and be available to all MAP Members. The MAP will also be used as a development platform for potential nominees for the WDS/DDWA Board of Directors. A MAP liaison will be appointed and periodically rotated to meet regularly with DDWA leadership and the WSDA to exchange information. Finally, the MAP will play a more formal role in communication between the Membership and WDS/DDWA. New communication channels will be developed so that topics of interest to the Membership will be included on MAP agendas and the outcomes of those discussion will be communicated back to the Membership.

Who currently serves on the Member Advisory Panel (MAP)?

The 2021 MAP is comprised of 14 total Members, 11 at-large Members and 3 Member Directors from the WDS Board of Directors. The 11 at-large Members are Dr. Jeff Abolofia, Dr. CR Anderegg (new MAP member 1/1/21), Dr. Adam Cramer, Dr. Josh Cochran (new MAP member 1/1/21), Dr. Ronald Hsu (new MAP member 1/1/21), Dr. Spence Jilek, Dr. Elissa Maynard, Dr. Jacy Nelson, Dr. Ronald Snyder (new MAP member 1/1/21), Dr. Kim Trieu and Dr. Rod Wentworth. The 3 Member Directors from the WDS Board of Directors are Dr. Kurt Labberton, Dr. Chris Pickel and Dr. Eve Rutherford.

What is the role of the Member Nominating Panel (MNP) under the proposed Bylaws?

The proposed Bylaws provide for a Member Nominating Panel of which 50% of the Members are assigned by organized dentistry and 50% are Member Directors from the WDS Board of Directors. This panel is the sole source responsible for identifying, vetting and recommending candidates for both the Member Advisory Panel (MAP) and Member Directors for the WDS Board of Directors. New MAP Members will be voted on by the MAP and the WDS Board of Directors and Member Director candidates will be vetted by the WDS/DDWA Governance and Nominating Committee and the WDS/DDWA Board of Directors.

How will organized dentistry determine which Member Dentists serve on the Member Nominating Panel (MNP)?

If the Bylaws amendments are adopted, WSDA will determine how to select these Member Dentists to serve on the MNP. One possibility is that these positions will be determined at the WSDA's House of Delegates governance meeting.

When will the Member Nominating Panel begin its work?

If the Bylaws amendments are adopted, the MNP will begin its work in 2021 to prepare nominations for new MAP members to be seated in January 2022.

What is the purpose of the Memorandum of Understanding (MOU) between the WSDA and WDS/DDWA?

The purpose of the MOU is to enhance the working relationship between the WSDA and WDS/DDWA through collaboration on key strategic initiatives outlined in the document. Both organizations are committed to an ongoing partnership that was rekindled during dialogue and coordinated actions throughout the COVID-19 pandemic and further fostered during settlement discussions related to *Bradshaw, Irwin, Russell, Washington State Dental Association v. Washington Dental Service*. The WSDA and WDS/DDWA can further their respective missions by working together to improve oral health for the people of Washington.

What are the key strategic initiatives outlined in the MOU?

The MOU does not limit our collaboration but examples of key initiatives of mutual interest include dental workforce shortages, Medicaid, educational debt, leadership development, independent dental practice and post graduate continuing education.

Where can I get a copy of the current Bylaws and proposed changes?

Current WDS Bylaws, a clean version of the proposed WDS Bylaws, a redline version of the proposed Bylaws and a chart outlining the Bylaws changes are available on the DDWA provider portal at DeltaDentalWA.com/Provider or on the WSDA website. You can also find the Memorandum of Understanding at that location as well.

How do I learn more about the Bylaws changes?

In October, the WSDA and WDS/DDWA will jointly hold a virtual town hall meeting to review the Bylaw changes and answer Member questions. More information on this town hall will be available in the coming weeks.

You can find a link to a summary of the Bylaws changes on the Delta Dental of Washington website at DeltaDentalWA.com/Provider.

Does the WSDA Board and House of Delegates support the settlement and all the changes to the Bylaws?

Yes, there is broad support for all the actions proposed in the settlement and the changes proposed in the Bylaws. Both WSDA and WDS/DDWA ask for your approval.

Why were the WDS Articles of Incorporation (AOI) changed?

To provide clarity that future Bylaws changes must be made in accordance with the provisions of the Bylaws themselves. A copy of the proposed changes to the WDS AOI can be found on the Delta Dental of Washington website at DeltaDentalWA.com/Provider by clicking WDS Annual Meeting.

When will Member Dentists vote on the WDS Bylaws changes?

The vote will take place at the next WDS Annual Membership Meeting scheduled for November 13th 2020. Along with the vote on the proposed Bylaws changes, there will be a vote on a related change to language in the WDS Articles of Incorporation that will ensure clarity about how future Bylaws changes must be made.

What if the WDS Bylaws are not ratified by the Membership?

In the event the Bylaws are not ratified the current Bylaws and governance process will remain unchanged until the litigation is ultimately adjudicated by the Court. Litigation is a very expensive and time-consuming process and may result in a different outcome than the negotiated proposed Bylaws changes.

Are the voting requirements the same to ratify the WDS Bylaws and the WDS AOI?

No, changes to the AOI require a 2/3 affirmative vote of ALL the WDS Member Dentists, whereas the Bylaws require only a 2/3 approval of those Member Dentists present at a meeting (present in-person, in attendance virtually, or by proxy) at which a 10% quorum of Member Dentists is established.

What happens if the Bylaws amendments pass and there are not enough votes to pass the changes to the Articles of Incorporation (AOI)?

If the AOI changes do not have sufficient support to be approved, the Bylaws changes can still be approved and made fully effective and the lawsuit will still be settled.

How will you hold an annual Member meeting with COVID-19?

We are finalizing the approach for the WDS Annual Member Meeting. The meeting will be live streamed over the internet allowing all interested Member Dentists in Washington to attend virtually. We are determining whether we will be able to accommodate limited, in-person attendance. Instructions on how to attend or participate virtually will be forthcoming in the mail along with your proxy card.

Will electronic voting be available for dentists who attend remotely?

Yes, dentists will have the option to submit their vote via proxy as in years past or to vote electronically during the meeting. If there is in-person attendance at the Annual Meeting, those attending in person will have the option to vote in-person as well. Instructions on how to vote will be forthcoming in the mail with information about the WDS Annual Meeting.

Are there designated proxies for Member voting?

As in years past, a WDS/DDWA Member Director will be designated on the proxy card. New this year, Dr. Dennis Bradshaw's name will also be on the proxy and you can select Dr. Bradshaw, President of the Washington State Dental Association, to cast your vote.