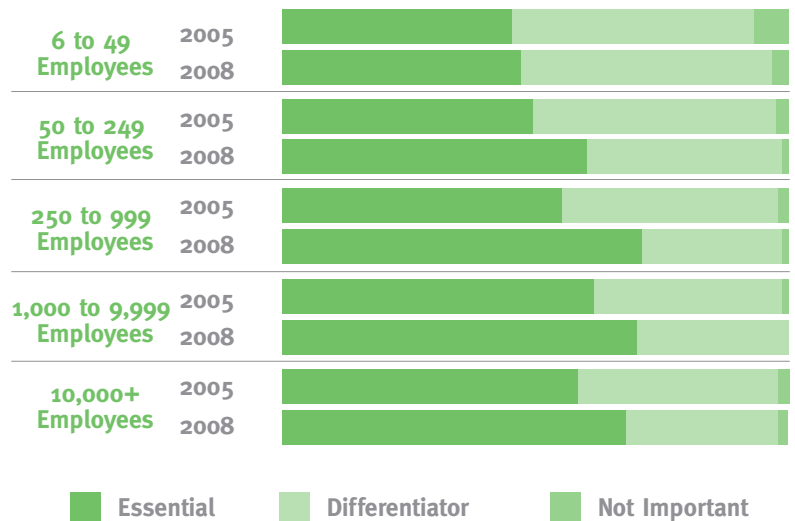


## Remind Your Clients of the Importance of Dental Benefits

The current, challenging economy has without a doubt had an effect on your clients. As the cost of medical insurance continues to increase, your clients seek to cut costs wherever they can. Many employers are reevaluating their health plan strategies, and some may be looking to modify their dental benefit plans.

The good news is that employers still view dental benefits as essential. The National Association of Dental Plans reports that from 2005 to 2008, the percentage of employers with dental benefits rating them as “essential” increased from 53 percent to 62 percent. More than one third view dental benefits as a differentiator.

### Importance of Dental Benefits to Employers



Source: National Association of Dental Plans (2008)

### In a Time of Rising Health Costs, Dental Costs Have Remained Moderate

- Of the nation’s \$1.98 trillion total health expenditures in 2005, only \$86.6 billion – or approximately 4.4 percent – was spent on dental services.
- Current research demonstrates that dental insurance premiums accounted for around one half of one percent of employee payroll, about \$279 a year per employee.
- Dental benefits average just one-tenth the cost of medical benefits, and dental premiums over the past few decades have risen at just half the rate of medical premiums. This is because anticipating and managing dental costs is more predictable, dental disease is seldom catastrophic in nature, and patient cost sharing for major restorative care is substantial, with employers’ program costs held in check by reasonable annual maximums.

### Oral and Overall Health Connection

Another important benefit of dental plans is that they promote good oral health and can help keep overall health insurance costs down. Regular oral health exams can help detect significant medical conditions before they become serious, as more than 120 diseases can cause specific signs and symptoms in and around the mouth and jaw.<sup>1</sup> Dental professionals performing checkups can spot symptoms that could indicate serious health problems elsewhere in the body that need attention.

<sup>1</sup> Steven L. Bricker, Robert P. Langlais, and Craig S. Miller, Oral Diagnosis, Oral Medicine and Treatment Planning (Philadelphia: Lea & Febiger, 1994).

## Eight Strategies to Help Clients Control Costs

- **Consider different plan designs:** Help your clients compare their current plan design with other options. But make sure your clients' plans cover preventive care at 100 percent with no deductibles. While this might seem counter intuitive, since it will increase their employee plan utilization, covering preventive care at 100 percent will encourage employees to get regular dental check-ups to treat minor problems, before they become major problems.
- **Offer a network-based plan that encourages employees to choose a network dentist:** Savings typically average 15 to 25 percent less than average charges under PPO plans. When employees choose a network dentist, the group's claims expense will be decreased, resulting in lower, more stable overall costs.
- **Provide a worksheet:** Give your clients an employee worksheet that highlights the difference between in- and out-of-network dental costs. This will help encourage employees to seek care from an in-network dentist. Claims costs account for nearly 90 percent of employers' expense, and network utilization is key to keeping costs under control.
- **Recommend evidence-based plan benefits based on the oral and overall health connection:** The latest plan design options offer new evidence-based features that can result in overall health care savings. Plans may include extra preventive screenings and cleanings for those with diabetes or women who are pregnant, or additional fluoride treatments or sealants for children. Evidence-based features stem from medical research that continues to support the association between oral and overall health. Again, reinforcing the preventive nature of dental care, evidence-based plan designs encourage appropriate treatment to help avoid more expensive dental and medical treatment in the future.
- **Consider increasing employee deductibles, co-pays, and/or the portion of the premium that the employee pays:** These changes need to be handled carefully, since too large of an increase may cause employees to drop coverage – and that's not what you want.
- **Consider DHMO options:** A DHMO is similar to a medical HMO. Enrollees are required to coordinate all treatment through a primary care dentist. All services are generally covered subject to co-pays, but enrollees cannot go outside the network to receive treatment. Premiums can be 10 percent to 25 percent less than PPO plans. In some cases, DHMO plans can be offered as a dual choice with a PPO plan.
- **As a last resort, if your client is no longer able to offer employer-contributory plans, recommend making a voluntary plan available to employees:** If your client's financial situation precludes them from offering an employer-contributory plan, suggest that they offer their employees a voluntary DHMO or PPO. This option costs employers little or nothing, but provides valued benefits to their employees. Employees bear the entire cost of a voluntary dental plan, but this will offer them better dental benefits at a lower cost than an individual plan.
- **Recommend the David – *not* Goliath – approach:** Advise your clients that it's best to implement only one or two changes at a time to avoid drastically reducing plan benefits and employee satisfaction.