

Dental Examiner

Dental News for Brokers and Consultants

Competitive Advantage: An Important Reason for Your Clients to Continue Offering Dental Benefits

It's no secret that the economy is in worse shape than it's been in decades. The recession is affecting businesses in every industry, including your clients'. The economic crisis is causing many companies to rethink their health plan strategies, and some might be considering reducing or dropping employee benefits, like dental.

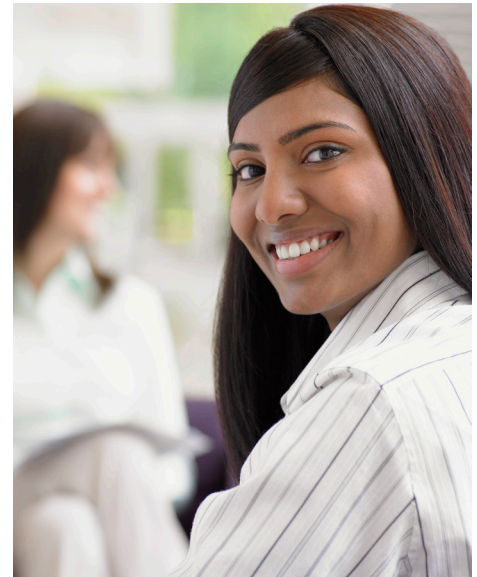
According to a survey from Watson Wyatt, employers see the current recession lasting a while. Sixty-one percent of employers expect the current downturn to last at least until the end of 2009.

Although your clients probably realize dental benefits are important to their employees, they are not immune to the challenges of a difficult economy. They might see dental benefits as non-essential for their employees at this time.

Your clients may need a reminder that even in a tight economy, companies have to remain competitive to recruit and retain talented employees. A strong benefits package can play a key role in attracting and retaining top talent. Dental coverage plays a significant role in rounding out that package.

A survey of attitudes about dental benefits found that 80 percent of the respondents felt it was "very important/somewhat important" that prospective employers provide dental benefits.¹ Also, a majority of respondents did not view the rising cost of health care as a credible reason for cutting dental benefits.¹

The research indicates that prospective and current employees place great value on dental benefits, and this provides excellent opportunities for you to communicate



with your clients the value of quality dental benefits for effective employee recruitment and retention. If your clients drop dental benefits, they could risk losing current or prospective employees to their competitors who continue offering them.

Delta Dental Saves Employers Billions Annually In Reduced Claim Costs

A new report confirms Delta Dental maintains the largest national dentist network, a position the nation's largest, most experienced dental benefits carrier has held for more than five decades. The report by NetMinder², an independent firm that provides data on providers and managed care networks to the health care industry, confirms that Delta Dental's Premier®

network has more than 125,000 dentists – nearly 61,000 more than the next closest national competitor.

Having the largest network of dentists in the nation allows Delta Dental to offer cost savings to employers and employees through negotiated discounts, as well as convenience to its more than 54

million enrollees. Delta Dental's network helped employers save more than \$6 billion in decreased claim costs last year, as network dentists accept pre-negotiated fees for their services and agree not to balance bill patients. These factors allowed Delta Dental to increase its enrollees by more than three million over the previous year.

¹ Taylor Nelson/Sofres Intersearch survey, 2002.

² NetMinder, April 2009.

Health Care Reform Proposals Should Offer Tax Benefits, Deductions

U.S. Senators have begun drafting proposals for health care reform aimed at improving access to health care, but so far they are leaving out two important details: how to cover the uninsured and how to pay for it.

Since the discussion began, many ideas about how to pay for universal health care have been proposed, including curbing the tax deduction employers receive for offering benefits and taxing workers' employer-sponsored health benefits.

Delta Dental strongly urges lawmakers to reject any proposal to tax or otherwise limit employer-sponsored health benefits or, at the very least, to establish a separate tax preference to ensure that prevention-oriented, cost-effective dental benefits are offered through employer-sponsored health plans.

Faced with the loss of a tax deduction, employers will either lower benefits coverage or pass the added cost on to their employees. Employees, in turn, might drop less expensive preventive coverage, like dental insurance, in favor of more inflationary medical coverage.

Why's that a problem? Dental benefits motivate employees to seek preventive care resulting in improved overall health. Employees often neglect to take care of their oral health when dental benefits are not made available – reporting “lack of dental insurance” as the primary reason for not seeking preventive care from a dentist within the past 12 months. For your clients, not offering dental benefits could result in a longer-term medical cost increase because employees who don't take care of their oral health tend to be less healthy.

Also, under current law, employer contributions to the cost of health insurance are excluded from the determination of both income and employment taxes. Lowering the after-



tax cost of insurance has proven to be effective means to extend protection to more Americans – some 60 percent of the population under age 65 – through large, more stable risk pools, which are efficiently and affordably administered.

On the other hand, if dental benefits are taxed, fewer employees might elect to pay for them. Without benefits they will be less likely to seek preventive care, which could negatively affect their oral and overall health, and your clients could end up paying more for medical costs.

As our representatives work to “fix” health care, they shouldn't change what already works. Eliminating tax deductibility or taxing benefits would create new barriers to access and negatively impact the nation's oral health.

To find out more about Delta Dental's position on health care reform and to sign up to receive e-mail updates about relevant health care information, please visit our new Web site at (AdvanceOralHealth.com).