

Cost pressures bite into dental packages

In a bad economy, the benefits cost workers more

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With employers feeling ever more price pressure, it's no wonder their workers are paying for a greater percentage of their benefits, not only for medical insurance but for dental and vision as well. As the realization of the link between good oral hygiene and overall health becomes more mainstream, employers are understanding the value that dental benefits can bring.

"In satisfaction surveys, strangely enough, employees rank dental and vision higher than disability or long-term care," says Kelly Moore, president of brokerage firm Moore Benefits Inc. "Employers are not looking to pick up more costs, but they are hesitant to drop benefits that workers consider important."

However, that's not stopping employers from raising deductibles, copay percentages and out-of-pocket maximums. Nor is it keeping them from reducing the richness of plans or moving dental to the voluntary benefit tier.

DENTAL HIT BY RECESSION

"I've seen some employers letting workers choose between premium medical coverage and letting employees pay for their own dental and vision or offering a more middle-of-the-road health plan with dental and vision," Moore says.

Dental carriers are seeing the same trends.

"In a bad economy, dental plans are affected," says Dave Guarrera, vice president, MetLife Dental Products. "In 2008 and 2009, carriers saw spikes in utilization as employees knew they were losing their jobs or there was potential for it."

He says there is a shift to voluntary dental plans.

National membership rolls dropped "precipitously" in 2009, says Miles Hall, chief clinical director at Cigna Dental, but rebounded to previous levels the following year. Cigna, too, has seen a longer-term shift toward leaner benefits, especially for retirees, part-time workers and those in the retail trade.

In addition, annual calendar maximums are on the rise, moving quickly from what was a typical industry standard of \$1,000 to as much \$2,000 in some instances. Hall says a \$1,200 annual maximum is more typical these days.

The pressure on price is driving employers to lower the overall quality of dental offerings, while not going so far as to drop coverage. A survey from the American Dental Assn. showed that the percentage of gross billings paid for by managed care rose nearly one-third between 2006 and 2009 to represent 11% of all billings. This statistic "supports the fact that employers and employees are increasingly looking for less costly solutions," says Richard Goren, second vice president, Guardian Group Dental.

Aetna has increased the number of its dental plan offerings so companies and workers alike can choose coverage that fits their budget and their tolerance for risk, says Mary Lee Conicella, chief dental officer. Its network-only DMO (similar to an HMO model) plan has increased in popularity as a lower-cost option to its PPO plan.

Last year, Guardian introduced its Freedom Plan, which gives members a choice of providers in either its premier DentalGuard Preferred PPO network or its lower-price DentalGuard Alliance PPO. Members also can choose a provider outside either PPO network.

Even before the last recession hit, dental plans were experimenting with products to help workers stretch their out-of-pocket dollars. Guardian and Cigna are among those offering rollover plans, where employees can bring a percentage of unused maximums into the next year. Generally, the patient has to have at least one cleaning during the plan year to be eligible.

Such plans can help employees pay for costly procedures where the insurance would otherwise be capped. Of course, these models also benefit carriers by promoting loyalty.

A recent national survey by Guardian reveals that 90% of employees prefer online benefits enrollment and that more than six in 10 full-time workers completed their last benefits enrollment online. With that in mind, Guardian has been promoting the move to online, not only for enrollment but for the education process that needs to take place beforehand so employees are fully aware of their options.

GREATER EMPHASIS ON ORAL HEALTH

Studies have repeatedly shown dental to be among the most prized benefits that workers can have, so employers are reluctant to drop a cherished part of employees' benefit packages. At the same time, more companies are recognizing that good oral hygiene among workers can reduce medical spending. Cardiovascular disease, diabetes and pre-term or low-weight babies are among conditions that have been linked to chronic bacterial infections in the mouth.

"Employers do understand the connection between oral health and overall health," says Goren. "Companies that take [positive] action hope to see a decline on the medical side."

The decision has to be a strategic one, however, because any potential savings on medical spending won't magically occur overnight.

According to Moore, clients have been slow to heed the research linking oral health and overall health, but she says that her firm has been proactive in taking that educational message directly to employees.

Overall, employers are heeding the message. Aetna integrates its medical and dental claims data to identify employees at greater risk for health problems related to poor dental health. Identified workers who have not received a timely teeth cleaning and exam receive a post card, followed by a phone call if an appointment still hasn't occurred in a timely fashion. Those at risk are eligible for extra cleanings or 100% coverage for certain periodontal procedures.

Employees in fully insured plans are automatically enrolled in the Dental/Medical Integration program, and companies that use Aetna for plan administration are offered the opportunity to participate, which they take "virtually all of the time," Conicella says.

Aetna and the Columbia University College of Dental Medicine conducted a study published in 2006 that found patients with diabetes, coronary artery disease and cerebrovascular disease who received periodontal treatment were at lower risk for illness.

A Cigna study shows that diabetes sufferers who were treated for gum disease in the first year of the study and then received regular maintenance care had lower medical costs than those who had previously been treated for gum disease but did not receive regular maintenance care. On average, medical costs were 23% less for individuals with diabetes who had proper gum disease treatment.

Cigna offers fluoride treatments and sealants to those with such conditions as kidney failure and patients who have had organ transplants or been treated with radiation for head and neck cancers.

Any qualified health plan in the upcoming state insurance exchanges must include pediatric oral care for children up to age 21 as part of the standard benefits. Stand-alone dental plans and those as part of a health plan are allowed to operate within the exchanges, but final rules have not been issued. With all of the attention brought about by the health reform law and its state insurance exchange provisions, the concept of dental coverage in exchanges has been lost. Guarrera from MetLife says that employer contributions for dental benefits will continue to decline as long as the exchange rules remain uncertain.

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