Tips for Evaluating Dental Plans:
Why Stand-Alone Dental Coverage Is Still the Best Choice

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Americans love choices. We like to compare just about everything from clothing and shoe brands, restaurants, styles of houses and cars, to grocery stores, hotels and vacation spots. We quickly develop favorites, based on those experiences and options we like the most.

The same is true for insurance benefits. In national surveys, employees repeatedly rank dental insurance among their top benefits. But there are many types of dental plans, and the coverage options can be confusing. Brokers can assist employers and employees in sorting through the choices to find the plan that will provide the right coverage.

Wellness and Preventive Dental Care

Often, parents purchase dental coverage for their children, but not for themselves. Recent statistics from the American Dental Association demonstrate a startling decline in dental coverage over the past decade. The percentage of adults who go to the dentist has dropped from 41 percent in 2003 to 37 percent in 2010. As a result, emergency room visits for dental problems rose to 2 million in 2010 – more than twice the number recorded in 2000. This, of course, raises costs, and an emergency treatment does not provide the preventive care and early detection afforded by regular checkups.

Many employers recognize that workforce health impacts job performance and productivity. Many invest considerable time and resources to encourage employees to pursue a wellness lifestyle by providing incentives and ongoing education to help employees take care of their health. It is especially important for employers to remind employees of the importance of taking good care of their oral health, since it affects their overall health.

Value of Stand-Alone Dental

Currently, 98 percent of Americans with dental coverage have a dental policy separate from their medical policy. Stand-alone dental plans typically are offered by carriers that are experts in dental, which means the premium costs are accurate, benefits can be customized to employer needs, customer service and claims processing systems are designed specifically for dental, and some also have a nationwide, credentialed provider network.
Combining Medical with Dental

Many medical carriers offer discounts for combining dental benefits with the medical plan, but this option may not produce the expected results. While a combined plan may seem cheaper (one premium), it could lack important benefit components and anticipated cost savings. When evaluating combined plans, consider the following:

**Promised cost savings** – Some carriers may increase the price of the dental insurance to help offset the discount given for medical insurance. Others may offer a discount on the medical-dental combination for one year, but implement a substantial rate increase at renewal to recoup losses.

**Efficient claims processing** – Because of high plan utilization, processing dental claims can be challenging. Medical carriers that are inexperienced in offering dental may encounter significant problems and unforeseen expenses. They may choose to subcontract the work to dental carriers in order to provide efficient claims processing services. But this decision may add another layer of administrative costs.

Ask the carrier whether all the claims, such as medical, dental, life and disability, will go through the same claims processing system. Single-system claims processing may increase the occurrence of errors and lead to unhappy members. Dedicated dental carriers have processing systems designed to handle dental claims specifically, resulting in more efficient and accurate payments.

**Costs of unbundling** – If a problem occurs with one of the plans, it may be necessary to switch to a different carrier for that benefit. In advance of signing the contract, find out the hidden costs of changing plans. Will the carrier continue the discounted price for the product(s) retained? If not, finding new carriers and plans for all lines of coverage may be required.

**Coverage limitations** – Dental plans may vary between insurance carriers. Carefully review the fine print in the proposal to understand coverage limitations.

**Carrier expertise** – Evaluate the carriers’ expertise with dental claims and flexibility in customizing plan designs with a range of options and pricing to meet specific needs.

Here are some questions to ask:

- Do their financial ratings show a good track record and future?
- Do they offer consistent pricing and logical renewal rates?
- Do they really know the dental business and focus on it?
- What type of customer service is provided?

**Compare Plan Designs**

Dental coverage may appear similar on the surface, but each is designed differently. When comparing plans, it may be helpful to ask the following questions:

1. **Deductibles and maximums** – If the plan has a deductible, when does it apply and what is the amount? Is there a maximum amount that can be charged per family? What is the annual benefit maximum available per year? If orthodontia is included, what is the lifetime benefit available?

2. **Coinsurance and copayments** – What is the coverage in and out of network? For PPO plans, know what percent the plan pays by procedure category, typically stated as preventive, basic or major.
3. **Frequency imitations** – How often can each type of X-ray be taken? How many cleanings are permitted per year? How many years are allowed between crown replacements? For example, one carrier may approve replacement of crowns every five years, while another may extend the limit to 10 years.

4. **Location of procedures** – In which category do common procedures fall? Carriers can move procedures, such as X-rays, endodontics (root canals), periodontics (gum disease treatment) or oral surgery, into different categories of coverage or insurance. It is crucial to know whether these procedures are classified as preventive, basic or major, as this is likely to impact rates and out-of-pocket costs.

5. **Waiting periods and participation** – What procedures require a waiting period before employees can access benefits? Is the policy different for current employees and new hires? What participation percentage of eligible employees does the carrier require?

6. **Network access** – If the plan design includes a dental network, are there enough contracted providers to serve employees? Producers should know how the carrier counts the network providers, including the difference between access points, providers and locations.

7. **Extra benefit services** – Does the plan cover dental implants? What about composite fillings in molars? Are adults eligible for orthodontia coverage? Some plans also offer carryover maximums and dental coverage with vision, hearing or prescription benefits. Know what extra incentives are built into the plans that increase the value for employees.

**Evaluate Dental Choices**

Over the past few decades, there have been many changes to dental coverage, but it is important to remember that the needs of Americans have not changed. Preventive dental care is essential for good oral and overall health.

Producers have an opportunity to help employers and employees identify the dental benefits that will meet their needs. Carefully evaluate the carrier choices, considering the plan designs, PPO network, customer service and emphasis on wellness education. Partnering with the right carrier will go a long way toward helping employers maintain a healthy and satisfied workforce.

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