

A closer look at dental



TIERED DENTAL PLANS AND DENTAL-MEDICAL RESEARCH COULD CHANGE BENEFITS LANDSCAPE

Rising health-care costs and its dramatic effect on overall benefit expenses have become a major distraction for American businesses, especially large Fortune 500 companies. An area getting intense scrutiny is employee benefits, specifically employee health care costs, which have been experiencing double digit increases in most parts of the country.



An area often overlooked is a group's dental benefit plan. Offered by most employers, dental is viewed as an uncomplicated ancillary benefit that offers tremendous perceived value to employees.

Dental, however, has been notably absent from the whole health care cost debate. In today's environment, with Wall Street's emphasis on profits, even top performers in each industry sector are compelled to re-analyze their expenses and trim any excesses to meet analysts' expectations.

Perhaps the core reason for dental's absence is that it hasn't had much to offer in terms of innovation. Network size, access and price have been three key characteristics when selecting a plan. Beyond these traditional drivers, there have been few meaningful innovations in dental delivery models as compared to the health care benefits industry, which has developed a number of cost-management tools to make members more accountable and reduce benefits costs' impact on their company's bottom line

This scenario is about to change. An entirely new thought process is weaving its way into the dental benefits marketplace, led by an exciting and innovative application of analytics.

In addition, dental carriers are taking notice of ongoing research that is trying to determine if there is a "cause and effect" link between an individual's dental health and major systemic diseases — a key driver of health care costs and premiums.

The application of data analytics in dental benefits delivery models promises to change the way dental benefits are offered — and more importantly, finally have the ability to deliver meaningful cost savings and create account-

ability at the member level.

This entirely new dental benefit delivery model aims to reduce claim costs by addressing the true driver of dental costs — dentists' individual utilization patterns. Using sophisticated analytics, the model identifies dentists who have demonstrated a history of having a patient-centered approach, and make quality treatment decisions that generate long-term cost savings. This approach is further supported by research shows that a dentist's approach to care, rather than his or her fees, is by far the largest factor in dental costs.

Tiered dental benefit programs such as this are groundbreaking, and are setting the stage for an entirely new type of dental benefits platform that isn't entirely hinged on negotiating provider discounts. This new dental benefit delivery model presents information on each dentist in an easy-to-understand system of tiers. Employees are rewarded through stronger coverage for visiting higher-tiered dentists who offer a patient-centered approach to care — in addition to deriving personal satisfaction from their own long-term cost savings.

In addition, it differs from some of the more recent health care models that seem to merely shift the cost burden to employees; this model helps the consumer make informed decisions about where they choose to receive their care.

On a parallel track, new research reveals a potential association between oral health disease and major systemic disease, such as heart disease, diabetes, stroke and preterm births. A number of studies are in progress to determine if there is a causal relationship.

For example, one of the studies is trying to determine if periodontal disease might play a role in expectant mothers who experience preterm birth or low birth weight babies. According to the March of Dimes, it is estimated that 12 percent of all babies born in the United States are born preterm. The cost of care for preterm babies to U.S. businesses averages \$41,610 (versus \$2,830 for a healthy, full-term baby) amounting to several billion dollars a year.

If the research shows a strong cause and effect relationship, an individual's oral health could be seen as a precursor or indicator of a serious medical issue. Dental benefit carriers who have the ability to synthesize and integrate this research into a dental benefit structure will have an edge.

Further, by helping individuals prevent or identify a medical condition, dental benefit carriers can contribute towards controlling health care costs, and change how employees and employers view the "routine dental check-up."

In conclusion, dental benefits are at an interesting and exciting cross-road. Employers will start seeing some major changes that will alter the perception and relevance of dental in relationship to other benefits, especially medical. Carriers that adapt to these new innovations will no doubt have a marketplace edge, especially as they strive to help groups and employees develop more sustainable, intelligent benefit platforms.

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