MARK MOKSNES

is executive vice president of sales and marketing, representing DeCare Dental and Securian Dental Plans, both of which have launched the nation's first analytically-based dental benefit plans.

*Moksnes can be reached by telephone at 651-994-5301 or by email at **mmoksnes@decare. com**.*

Analytically Tiered Dental Benefit Plans

Dental-Medical Research Outcomes May Change The Dental Benefits Landscape

One of the biggest distractions in corporate America today is the dramatic effect rising healthcare costs are having on the bottom lines of businesses. The cost of care for current employees, dependents and retirees, and the corresponding rise in medical premiums, have become the focus of many strategy sessions in executive offices and boardrooms around the country.

In a highly competitive, capitalistic environment such as ours, most profit-oriented companies have been compelled to seek new, innovative solutions not only to help drive down healthcare costs, but also to create benefit programs that are sustainable over the long term.

Dental plans (which, according to a recent study by the National Association of Dental Plans, rank third on the list of most important benefits after health and retirement benefits) have for the most part remained in the background of this debate. As such, dental benefit delivery models have remained unchanged for decades, while their medical benefit counterparts have developed a number of cost management tools to make employees more accountable and reduce benefit costs' impact on the company's bottom line.

Traditional dental delivery models are about to get a shake-up. An entirely new thought process is weaving its way into the dental benefit marketplace, led by an exciting and innovative application of analytics as a core component of a new type of tiered dental benefit delivery model.

According to a recent *Harvard Business Review* article, the application of analytics is playing a more centralized role in businesses today, because it can not only be used to optimize business processes and create efficiencies, but can also be distilled to create a more educated consumer base. In addition, thought leaders in the dental arena are taking a close look at ongoing research that is trying to determine the connection between an individual's dental health and how it ties in to their general health, specifically major systemic diseases.

Experts agree that tiered benefits, which take into account a provider's approach to care, are the best bet for taming healthcare inflation while putting the consumer in the driver's seat. The key to a successful tiered dental benefits plan is ranking a meaningful percentage of the dentists in America on their approach to care. Employees can become smarter dental consumers and employers can save significant money with a plan that makes it easy to choose dentists who have a history of patient-centered treatment decisions based on current scientific literature.

Using a tier-based system, consumers are rewarded through long term cost savings from a patient-centered approach to care among higher-ranked dentists. They're also rewarded through stronger coverage in their dental benefit plan design.

Tiered dental benefit programs such as this are groundbreaking and are setting the stage for an entirely new type of dental benefit platform that isn't dependent on negotiating the best provider discounts.

Instead, the program reduces claim costs by addressing the true driver of dental costs—dentists' individual utilization patterns. Research shows that a dentist's approach to care, rather than his fees, is by far the largest factor in dental costs.

This patient-centered approach saves money over the long term by providing the right care at the right time for each patient. The model helps the consumer make informed decisions about where they choose to receive their care. In addition, these higher-ranking dentists' decision-making skills are tied to the patient's oral health in a way that makes clinical sense and makes sense for a company's bottom line.

On a parallel track, close attention is being paid to ongoing research in the dental/medical arena. Recent studies show a growing association between oral health and major systemic disease, such as heart disease, diabetes, stroke and preterm births. For example, two independent studies, led by the National Institute of Dental and Craniofacial Research (NIDCR), which involves more than 2,600 expectant mothers, are trying to determine if periodontal disease may cause preterm births or low-birth-weight babies. Preterm and low-birth-weight babies can face tremendous health challenges. In addition, 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, according to the March of Dimes.

The outcome of this research could potentially change how we view the "routine dental check-up." If strong causal relationships are determined, an individual's oral health may indicate the presence of—or propensity to have—a serious medical condition. Besides helping create a healthier workforce, this type of research could also help drive down healthcare costs and make dental substantially more "relevant" in the overall benefits equation.

In conclusion, we believe we're at the dawn of a new era in dental benefits. The application of analytics is bound to change the way groups select dental benefit plans and how brokers sell them. The outcome of the NIDCR studies may also have a dramatic impact on how we view dental benefits. It's equally reasonable to assume the leaders in this new environment will be carriers who can successfully integrate these concepts into easy-to-use formats for groups and consumers—and packaged in a manner that is easy for brokers to sell! ⬡