

# Dental Insurance: More Than Just Another Benefit

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What is the real value of dental insurance?

Is it merely a mainstay of a good employee benefits package – a benefit expected of a responsible employer?

OR is it possible that dental insurance is essential for not only the health of employees and their families, but also for the financial well-being of employers and the economy?

## A HISTORICAL PERSPECTIVE

Until recently, most people did not take care of their teeth the way we are able to do today. Without dental insurance and easy access to care, many suffered from bleeding gums, infections, cavities and rotten teeth. People put off visiting the dentist until the pain became unbearable. They often missed work when they could not handle the pain, or stayed home with kids who had to miss school due to toothaches or other dental illness.

Health professionals and business leaders became concerned about the impact of poor dental health on the nation. In response to this need, insurance carriers began offering dental plans in the 1970s. These initial plans offered basic, low-premium coverage designed to encourage people to visit their dental offices for checkups and routine care.

### *Dental Care Enhances Productivity and Performance*

Over the years, as employees recognized the value of dental insurance in preventing and treating dental health problems, they began asking for increased coverage levels and services.

Most businesses were more than willing to oblige – often at minimal or no additional cost to their employees – after witnessing the enhanced productivity and performance of employees who could now better care for their own and their families' oral health.

During the past three decades, more and more insured employees have adopted good dental care. They are more like to floss and brush daily, and schedule regular checkups for preventive care and detection of health concerns in the early stages. For many employers, dental insurance has become a critical option in their benefits packages, enabling them to protect employee health while enhancing recruitment and retention efforts to maintain a strong base of quality employees.

## **ECONOMIC CONCERNS AFFECT DENTAL BENEFITS**

The recent slowdown of our economy and impending financial concerns have caused many employers to reassess their employee benefit plans. They recognize the value of dental insurance in contributing to the performance of their employees and would like to continue to offer employees comprehensive dental benefits, but are looking for ways to cut costs. Many employers wonder whether they can continue to offer dental benefits to employees in the future.

### ***A Return to Solutions from the 1980s***

Back in the 1980s when employers also faced tough financial situations, voluntary plans became popular, and dual or high-low plan designs enabled employers to offer employees options. Employees could choose a low-cost basic plan featuring coverage of preventive care and discounts on a few key services, or a comprehensive plan providing extensive coverage and care choices. While some employers provided dental benefits at no cost to employees, many shared the premium cost with employees, or offered access to dental benefits through a contracted carrier with employees paying the monthly premium rate.

Not surprisingly, the current economic situation is causing many employers to return to plan designs adopted in the 1980s. High-low and basic plans with limited services are attractive options to employers today.

According to Towers Perrin's February 2009 study, more than half of employers are exploring new benefit strategies they would not have considered in the past. But most understand the importance of maintaining good communication and education with employees on the value of their benefits and any changes in plan design.

### ***Employees Struggle with Dental Decisions***

Like employers, employees are also struggling with limited financial resources, which means they may consider dropping their dental insurance. They may believe that investing time and money in preventive care is unnecessary, especially if they are not experiencing any health concerns or pain. Dental insurance may be viewed as a luxury they cannot afford at this time.

Once again, health professionals and business leaders have good reason to worry about a return to poor oral health practices and higher medical expenses. One thing is true in any economy: it is cheaper to pay for preventive care than for the more costly care – expensive repairs, medical tests, surgery or other health care treatments – that often results from neglect. Producers can increase their value to employers by helping them educate employees about the importance of daily oral care and the value of regular checkups as an investment in their dental health.

## ***Insurance Carrier Challenges***

The soft economy is also affecting insurance carriers across the country. Many have trimmed operating costs to adjust to the changes in their business. The market situation has drastically affected their bottom lines and some are experiencing cash flow problems that limit their customer service support and delay processing of benefit claims.

As producers review dental carriers, they need to evaluate how the market has affected each carrier's financial situation, claims payments and customer service.

Current conditions also make it more important than ever to look for insurance carriers that offer flexibility in plan design for adjustments to benefits as employers experience business changes. Carriers should also offer a variety of dental benefit designs at consistent and competitive prices. Comparison of plans is challenging due to different coverage levels, features, limitations, services and requirements. Evaluate plan components to ensure they deliver on promises, and will meet employers' expectations and the needs of employees and their families. This due diligence will pay off in the long run, with client satisfaction and referrals.

## **MAXIMIZING OPPORTUNITIES IN UNCERTAIN TIMES**

Challenging economic conditions prompt many new and different choices for employers and employees alike. Employers will look to producers for expert advice on the many reasons dental insurance is good for their business, including employee health and productivity, lower health care costs, and competitive benefits packages that help to attract and retain quality employees.

To assist employers in making wise benefits decisions, producers need a thorough understanding of employees' dental health issues, needs and expectations. Producers have an excellent opportunity to enhance relationships with employers by recommending dental benefits that meet employers' budget challenges, but still provide employees with access to excellent dental care.

Look for an experienced insurance carrier who will be a long-term partner with employers and maintain quality during market ups and downs, as well as offer flexible plans, timely claims processing, and the level of customer support that will best serve employers and employees.

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