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Dental Benefits: A Standout Option

by Dennis Wilson

Both employers and employees consider dental benefits important. This article discusses some of the factors a plan sponsor should consider in choosing a dental benefits carrier.
A anytime an employer or other plan sponsor is making a decision about offering dental benefits, medical insurance normally takes the front seat; we have all been conditioned to prepare for the possibility of medical emergencies.

But an employee who takes a spill can just as easily break a tooth as he or she can an ankle, potentially requiring a crown or root canal—procedures that can’t be put off.

An employer may want to keep in mind that ancillary benefits such as dental coverage are also significant. Of course, the ultimate decision regarding dental benefits coverage comes down to what is best for a business and its employees.

When it comes time for plan sponsors to choose which dental carrier—or carriers—to go with, there are several important considerations:

- **Network size.** Is the network large enough that employees’ dentists are likely to be in-network or that employees will have a wide range of options?
- **Coverage details.** What type of routine, preventive, diagnostic and major dental care is covered?
- **Administration.** How much of an organization’s benefit department staff time and resources will be needed to manage the plan? Will the administrative function usually include enrolling and disenrolling participants (employees and dependents), Consolidated Omnibus Budget Reconciliation Act (COBRA) and Health Insurance Portability and Accountability Act (HIPAA) administration, dealing with billing, eligibility and claims processing, etc. A broker can provide many of these services, but an organization should find out which responsibilities it will retain.

The Dental Factor

Most consumers consider dental to be an important part of their benefits coverage, as do employers. In addition to a previous study reporting that employees rank dental benefits as an important benefit—along with medical, retirement and prescription drug coverage—a National Association of Dental Plans (NADP) Group Purchaser Behavior Study revealed that 96% of employers believe dental benefits are an “essential factor” in employee recruitment.

So while there doesn’t seem to be much disagreement about the idea that dental coverage should be included in employees’ benefits packages, employers may have questions regarding whether to bundle it with medical insurance coverage or opt for a standalone plan.

Specialized Expertise

The crux of a standalone dental plan is that it offers a singular focus on dental benefits. Plan offerings are focused and heavily invested in this specialized, single line of coverage. This means that claims processing, provider relations and fraud protection—the entire operation—are carried out by a staff of dental benefits experts, often including one or more experienced dentists. These combined efforts tend to result in very accurate claims processing.

A standalone dental carrier is also likely to have an oral health wellness program or resources employers can use to bolster a corporate wellness program. Because of their dental-centric structure, these companies also can provide enrollees with the knowledge and tools to get the most out of their dental benefits and achieve optimal oral and overall health.

Network Focus

This focus on dental care typically enables standalone carriers to build large, strong networks of dentists, offering many choices for enrollees. Maintaining a larger network increases the likelihood that an employee’s dentist will be a participant, and this convenience has been found to lead to higher in-network utilization rates.

Pricing Stability and Transparency

Generally speaking, dental claims tend to be high volume and low cost. This, coupled with the historic stability of dental plan rates, offers both employers and employees a good value.

According to the 2015 Spring Healthcare Trend Survey from Wells Fargo, “the dental claim trend remains consistent with past results and lower than medical claims due to a lack of cost-shifting from public to private plans and improvements in dental technology.”

Decision makers often are under the impression that using one carrier for all health-related benefits makes for easier administration, which is no doubt one reason some consider embedded or bundled plans. While a case can be made to bundle dental benefits with medical benefits, the fact is that a standalone dental carrier has a sole focus on dental. That focus allows for specialization of services, including expertise in oral health care, and when it comes to administration, having separate plans—and therefore separate pricing—ensures the actual cost of dental doesn’t get lost in the mix of the traditionally larger medical portion of a bundled or embedded benefits program.

Benefits Utilization Support

Among the variety of reasons not everybody goes to the dentist, one of the big ones is out-of-pocket costs. Skipping dental visits for this reason is understandable, and it’s because of this that employees are likely to benefit from a plan that covers preventive care at 100%. By providing access to tools that encourage employees to maintain good health through timely benefits usage, small problems are less likely to turn into bigger, systemic ones. This results in the successful avoidance of more costly—and less-than-comfortable—treatments later. Standalone dental carriers place an emphasis on helping members get the most out of their dental benefits.

There is a significant disparity between the number of people with dental benefits who are proactive about securing proper dental care versus those without. Americans with dental benefits are more likely to go to the dentist, take their children to the dentist, receive restorative care and experience greater overall health, according to an NADP report.

Dental Coverage and ACA

The Affordable Care Act (ACA) does not require employers to provide dental benefits to employees; however, pediatric dental coverage—which encompasses basic preventive care—is one of the legislation’s ten essential health benefits that must be provided by all health plans. Under ACA, this coverage can be embedded as part of a medical policy or provided as a separate policy bundled with a medical policy or as a standalone policy.

Embedded

Embedded pediatric dental benefits are included as part of a medical policy, setting one deductible with no annual limit that may apply to both the dental and medical benefits together. That deductible must be met prior to a child becoming eligible for any dental benefit. Certain medical plan carriers, but not all, may set a separate deductible for dental. Alternatively, the deductible may be waived for all dental services or only for diagnostic and preventive services.

In this type of plan, the contractual out-of-pocket maximum includes both medical and dental out-of-pocket expenses.
penses. Once the out-of-pocket maximum is reached, the dental/medical policy would provide 100% coverage for any covered services moving forward.

Some view this “one-stop” arrangement as the easier choice. While it may be an easier choice, it has potential drawbacks. In addition to having high deductibles, embedded dental coverage may not include dependents aged 19 and older. There also is no guarantee that a family’s dentist will participate in the dental plan embedded in a medical policy.

**Bundled**

Bundled dental and medical policies are sold together but as two separate policies. The dental coverage could be administered by the medical insurance carrier, but in some instances medical carriers will partner with standalone dental carriers to offer bundled coverage, in which case the dental carrier will administer the benefits. With a bundled plan, the dental policy deductible and out-of-pocket maximum are separate from that of medical coverage.

**Standalone**

Standalone dental policies offer separate, limited deductibles and out-of-pocket maximums and can be bundled with a medical policy that does or does not include pediatric dental coverage. In most states, a standalone plan can be purchased to meet the various needs of families. With regard to health care reform, this access can accomplish a number of things including:

- Establishing ACA-mandated pediatric dental coverage for children up to the age of 19
- Providing additional coverage to supplement unsatisfactory dental benefits embedded in a medical policy

**Conclusion**

The bottom line is that dental benefits provide employees with access to care that may be important to their overall wellness. People with dental benefits exhibit healthier behaviors and better oral health habits, and employers that provide dental benefits are to be commended. When it comes to plan types, standalone dental policies offer a sole focus that many employers value.

**Endnotes**

5. Ibid.