



DON'T FORGET DENTAL



WHEN IT COMES TO BENEFITS, MOST EMPLOYERS TEND TO FOCUS ON HEALTH INSURANCE BECAUSE OF THE LARGE ASSOCIATED COSTS.

While health coverage is certainly important, this often leaves ancillary benefits, such as dental plans, as an afterthought, says Dr. Gene Sherman, a former practicing dentist and senior vice president at AlwaysCare Benefits Inc., an insurance and benefits provider in Baton Rouge, La. >>



By Amanda K. McGrory

DENTAL

In Sherman's experience, it's not uncommon for a one-hour benefits meeting to spend 50 minutes covering health insurance while trying to cram in information on dental plans and other ancillary benefits in those last 10 minutes. Especially with the upcoming health care reform legislation provisions taking effect in 2014, there are several questions surrounding coverage, which leaves little time to focus on dental plan participation.

"By the time you get to address dental plans during these benefits meetings, you only have enough time to do your quick elevator speech," Sherman says. "Dental plans just don't get the time and attention they should."

Dental plans also are overlooked by many employers because of some common misperceptions, one being the cost, says Tom Morey, vice president of product development at Aflac. While voluntary insurance plans have no direct employer cost, according to the 2011 Aflac Workforces Report, only 44 percent of employers believe this to be true.

"Making voluntary insurance policies available to employees not only has no direct cost to employers but may reduce corporate taxes by cutting FICA tax contributions," Morey says. "Adding voluntary insurance to a company's offerings can help companies build robust benefits packages while staying within budget/cost constraints."

Another misconception centers around the false idea that benefits from voluntary insurance policies can be used only for specified medical expenses. The survey even shows 66 percent of employees and 62 percent of human resources decision-makers believe this is the case. Although this is true for major medical plans, Morey says, voluntary insurance pays cash benefits directly to the policyholder unless otherwise specified, and that can be used in whatever manner

the policyholder chooses, including everyday expenses.

Although much attention is given to medical plans because of health care costs, dental plans shouldn't be overlooked, Sherman says, because proper dental hygiene correlates to good general health. Diabetes, heart disease, blindness and pregnancy complications all can be affected by

"Let's face it: Medical is the 800-pound gorilla," Sherman says. "You've got \$2 trillion in medical costs per year, and dental is only 5 percent of that. Dental is approaching \$100 billion, so when you just look at the leverage of the costs, people think they're going where the savings is, but they don't realize that dental can leverage some of that savings on the



dental hygiene and impact overall health costs. In fact, the National Institute of Health estimated in 2007 that \$174 billion in direct and indirect expenses stemmed from diabetics, and those suffering from diabetes are 2.3 times more likely to have higher medical costs than people without. The diabetic population is growing, Sherman says, but with good oral hygiene, it is easier to control one's insulin levels.

medical side."

Once an employer realizes how proper dental care can impact overall health care costs, it should help its employees better understand their dental plans, says Lenny Sanicola, senior benefits practice leader for WorldatWork, a nonprofit organization that specializes in global HR issues. Employers should communicate all the details of their dental plans to employees and

ensure the value of dental schedules keep pace with inflation. Outlining preventive care is especially important when it comes to good oral hygiene, and an effective dental plan should include the necessary treatment to catch diseases early, thereby reducing general health care costs.

“You want to make sure employees get in for their cleanings and X-rays to prevent future large out-of-pocket costs, and you want to help your employees become better consumers of their benefits by helping them choose more effective treatment options,” Sanicola says.

Offering a good dental plan is also important for the workplace, Sherman adds, because it can help with attracting and retaining talent. Dental plans are the second most sought-after benefit by employees, following medical insurance, and with today’s competitive talent landscape, employers are looking for ways to appeal to the work force’s top talent.

“People with dental insurance are twice as likely or more to visit a dentist and get regular care,” Sherman says. “Providing employees with the care they know they should be getting is attractive to them.”

According to the Aflac study, 53 percent of workers report they’re likely to look for new employment over the next 12 months, and another 22 percent of workers say they’re extremely or very likely to do so; however, a better benefits package could sway those respondents. In fact, 44 percent of workers say an improved benefits package could encourage them to stay where they are, and 59 percent of workers say a benefits package is extremely or very influential in their retention decisions.

An employee who has a dental plan tends to be more productive in the workplace, as well, Sherman says. When an employee is receiving the proper dental care, he or she is less likely to be

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in pain while on the job or leave for a dental emergency that could have been prevented with proper care.

“It’s been estimated that 22 percent of people have had dental pain during the course of the year,” Sherman says. “And that just adds to absenteeism where people are on the job but are not as effective as they normally could be.”

If an employee doesn’t have dental insurance, it also is likely his or her children are not covered, and if any of the children have to miss school because of dental complications, the employee could have to take sick days, as well.

When choosing a dental plan, an employer should take the time to review the details carefully, Sherman says. Because so much attention is given to medical plans, employers tend to overlook the details in dental plans, but covered care can vary. For instance, some dental plans may allow diabetics to have extra cleanings to monitor the disease, which can lower the potential for further medical problems and keep the condition in check.

“I don’t think employers really spend the time to understand that all dental plans aren’t the same,” Sherman says. “They spend a lot of time comparing the costs, but they don’t look under the hood to see what the benefits actually are. Employers need to ask questions to their brokers who can help them do these comparisons and understand what they’re purchasing.”

When looking for the most affordable

dental plan, Sanicola finds that network plans provide discounts, resulting in most employers offering plans with contracted providers. Among those plans, the options that include a fairly representative selection of providers are most attractive to employees; thus, employers should balance the location and number of providers with access to available discounts.

“From an employer perspective, typically prepaid types of plans are more affordable,” Sanicola says. “Also, a minimum employer-paid plan with a buy-up option as a voluntary benefit plan may be an option for some companies.”

Although many employers are looking for ways to cut costs, especially in health care, dental plans should not be overlooked. Dental plans can enhance a benefits package without an additional cost, Morey says, and employees have the opportunity to receive the benefits they want while avoiding the hassle of network provider restrictions, precertification for treatment or annual premium reviews.

“Voluntary insurance has been viewed as a nice-to-have benefit in years past, yet now is considered a cost-effective supplement to core benefits and essential to helping companies achieve their goals,” Morey says. [B](#)

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