

Finding Real Value With Voluntary Dental



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Voluntary dental has been a popular benefit for many years, and economic challenges are creating renewed interest in this valuable option.

Businesses are strapped with cost controls and limited budgets, while costs for medical and pharmaceutical benefits continue to escalate. Recognizing the importance of benefits packages to retain and recruit quality employees, many employers are strongly interested in incorporating cost-efficient insurance options that provide excellent value. Voluntary dental gives employers a low-cost way to provide employees with access to oral health benefits at a low premium.

With voluntary dental, producers have an excellent opportunity to recommend a plan that provides high value to employers, by meeting the oral health needs of employees and their families. But to ensure that employers remain satisfied with a voluntary dental plan, it should be carefully evaluated. Many plans look good on the surface but lack the real benefits that employees value.

VOLUNTARY PLAN COMPONENTS

Designing the right voluntary plan requires flexibility, innovation, and an equitable pricing program.

Flexibility. For success with dental plans an employer must have a thorough understanding of the oral health needs of employees and their dependents. Producers can work with employers to:

- Identify the current utilization trends of existing dental benefits.
 - o How many employees and dependents are regular users?
 - o How often do they visit the dentist?
 - o Which services are frequently used?
 - o How many employees exceed the annual maximum?
- Assess the overall oral health of the group.
- Review the ages of dependents to consider whether any special needs should be addressed in the plan, such as orthodontia.
- Determine the percentage of annual employee turnover.
- Identify ways to incorporate preventive dental care into wellness programs to help curb the costs of serious oral health or medical concerns in the future.

This information is helpful to producers and insurance carriers in designing a voluntary dental plan that is flexible to meet the changing needs employers often experience throughout the plan year.

Innovation. Employers and employees expect easy online access to their dental plans. They want to locate information within seconds of initiating a search, such as features of their specific plans, procedure costs and coverage amounts, co-pays, claims status, information on dentists in the plan network, wellness information, and the eligibility status of members. Employers also want to quickly make updates to information about employees and dependents.

- **Innovation requires listening.** Dental carriers must be innovative in the development of electronic services and provide the support users expect in real-time situations. They need to listen to employers and employees to identify technology expectations, as well as the systems and formats that will work best. Otherwise the carrier may develop a technology platform that may not provide the best service.
- **Product design must incorporate innovative solutions.** Innovation is also critical to the development of dental products that address requests from employers and employees. It takes considerable time and planning to create the right product.

Some carriers do not have the resources to study utilization and sales trends to assess whether a new product or service should be developed, and to construct the appropriate solution. Instead they may offer canned dental plans with few features that can be modified to fit the group.

Pricing Program. Pricing voluntary dental plans is challenging. There are many variables that go into designing and pricing a plan, including the following components:

- Designing the plan with features and services employees and dependents will actually use.
- Studying utilization trends to develop a pricing program that fits the group.
- Organizing the plan network to include employees' preferred dentists. This step makes a significant difference in the actual use of the plan and affects the pricing program. For example, if a large number of preferred dentists do not participate in the network, employees may continue to visit those dentists and incur higher fees. This creates dissatisfaction with voluntary benefits and employees may decide to drop the plan.
- Creating a "whole-plan" solution. When insurance carriers submit proposals for voluntary plans, comparisons are frequently made on the bottom-line price. It is important not to take a black-and-white perspective on the proposal but rather to consider the myriad shades of gray that can make the difference in the success of the voluntary plan.

Some carriers tend to set a low price initially to write the business, but the plan may contain restrictions and prerequisites for the services. The carrier may also significantly increase the premium the

following year to recover losses. If employees do not perceive value in the plan and their costs increase, many will drop the benefit. The employer may need to step in to cover unexpected costs in order to maintain the benefit.

CHOOSE THE RIGHT CARRIER

Many insurance carriers offer voluntary dental products, but few actually have extensive experience to support the plan. Due to the complexity of voluntary plans, it is critical to select a carrier with an excellent reputation for its voluntary dental coverage.

Evaluate each carrier's claims processing and customer service, flexibility in plan design, reputation with other employers, size of provider network, business philosophy, spectrum of plans that can be customized to employers' changing needs, and experience in working with employer groups of similar size.

Partnership or vendor relationship: The best strategy for success with voluntary dental is for the employer, producer and carrier to work together as partners, requiring regular communication to ensure all members are working toward mutual goals.

Carriers must be transparent in sharing information about operations, actual costs and profits. Although carriers may hesitate to explain their operations and pricing strategy, open communication may actually empower employers to ask questions so they understand the carriers' business philosophy, strategy, and challenges. Often this transparency creates a partnership relationship, instead of that of a vendor who provides yearly services.

VOLUNTARY PLANS OFFER INCREASED OPPORTUNITIES

Voluntary dental benefits are in high demand by employers and employees and are an opportune way for producers to grow their businesses, especially by focusing on the wellness value of dental benefits. Take the time to understand employees' dental needs, and help employers educate their groups about benefits. Not all plans and insurance carriers are the same, so work with the right partner to provide benefits that will match expectations.

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