

Dental Benefits Are Changing – How It Will Affect Brokers

by Gary White

In an ideal world, benefits would be simple for brokers to sell and easy for groups to use. They would connect the consumer's choice of dentists with sizeable savings – helping employers escape from yearly double-digit increases in healthcare costs. This vision is the next evolutionary stage for health care benefits in general and for dental benefits in particular.

Dental plans rate third on the list of most important benefits after health and retirement benefits, according to a recent study by the National Association of Dental Plans. Dental benefits are not just desired, they're demanded, and the affordability of these benefits is more important than ever for the employer's bottom line.

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 conservative patient-centered treatment decisions based on current scientific literature.

A tiered program puts the power of information and consumer choice to work in reducing employers' dental claim costs on an immediate and sustainable basis. It puts the Web to work in making complicated systems easy for consumers to use. The analytics that are used to rank the majority of dentists in America are distilled into a very easy-to-understand tiered ranking system. The con-

sumer simply types the dentist's name into a search tool, which responds with the dentist's tier. Also, the consumer can simply type in a ZIP code and the Web tool returns up to 30 dentists in that area, listing each dentist's tier.

Consumers are rewarded through the long-term cost savings from the conservative patient-centered approach to care among higher-ranked dentists. They're also rewarded through stronger coverage in their dental benefit plan design.

Sustainable Cost Savings

The tiered program doesn't play the "inflation game" of negotiating discounts with dentists only to become subject to upward pricing pressure as a looming shortage of dentists increases their negotiating clout. So, it isn't prone to cost inflation the way PPO network plans are. Instead, tiered programs

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address the true driver of dental costs – the dentist’s utilization patterns.

Research conducted by DeCare Dental, employing analytics on millions of claims, shows that the largest factor in dental costs, by far, is a dentist’s approach to care, rather than fees. Research also shows that a dentist’s approach to care rarely changes during his or her career – a fact that makes the cost savings of the tiered program sustainable over time. Savings mean a lot to employers, but sustainable savings mean everything.

Which dentists are favored in such a system? Generally speaking, higher ranking dentists have a more conservative approach to care, which focuses on the patient’s oral health condition and needs. For example, the tiered system favors dentists who perform X-rays based on a patient’s oral health condition, versus whenever the dental plan will pay for them or based on a schedule that applies to all patients. For some patients, this may mean fewer X-rays than average, while it may mean more X-rays than average for patients with a greater need based on their oral health

history and condition.

This patient-centered approach saves money over the long term by providing the right care for the right patient at the right time. These higher-ranking dentists’ decision making is tied to the patient’s oral health in a way that makes clinical sense and makes sense for a company’s bottom line.

Analytics in Dental Benefits

A recent *Harvard Business Review* article explains that analytics play a more important role in business today because information can now be delivered to the consumer, which allows them to make more informed choices.

Distilling sophisticated analytic research into user-friendly information applies to dental benefits as well. Many believe it will revolutionize the dental benefits industry by helping groups and consumers make smart choices and providing substantial savings.

Brokers should keep an eye on dental benefit plans that use in-depth analytics because these plans are most likely to become leaders in the fast-emerging consu-

mer-driven healthcare landscape.

If the *Harvard Business Review* article has correctly identified the strength of the growing analytics trend, it’s reasonable to believe we’re at the dawn of a new era in dental benefits as well — changing the way groups select dental benefit plans and how brokers sell them. It’s equally reasonable to assume the leaders in this new environment will be those who take this highly sophisticated technology and make it easy for groups and consumers to use and easy for brokers to sell! □

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