

Dental Benefit Plan Design: Working with Consultants and Brokers to Develop Quality Dental Benefit Plans

Background

Acute dental conditions contribute to many problems for employed adults, including restricted activity, loss of time at work and missed school days for children. Maintaining optimum oral health is important to be free from pain and to be able to chew, speak and smile.

Dental disease and its management vastly differs from medical conditions:

- Dental disease does not heal without therapeutic intervention, so early treatment is the most efficient and least costly.
- The need for dental care is universal and ongoing, rather than episodic.
- The need for dental care is highly predictable.

Regular visits to the dentist can help monitor and prevent dental health issues that could lead to conditions requiring more advanced care. As employers investing in a dental benefit, it is prudent that you encourage employees to care for their oral health.

This toolkit is intended to help employers and benefits consulting firms to incorporate key elements into dental benefit plan requests for proposals (RFP). Please send input to dentalbenefits@ada.org.

Key Elements in Dental Plan Design

Plan design is one of the most critical components of an employee's dental benefits program. The oral health care needs of employees can be satisfied by a strong plan design which includes broad coverage for many dental procedures and sufficient access to dental providers.

1. Maximum Benefit

Many dental plans feature a total annual maximum – a maximum dollar amount that may be reimbursed each year, even if the patient's dental costs exceed that limit. The common annual maximum is between \$1,000 - \$1,500. These totals can be individual or family maximums. The average cost of a crown in 2016 was \$1,121 which would nearly exhaust the annual maximum in many dental plans.

Consider the following plan design:

- 1.1** Annual maximums should be at least \$3,500 to keep employees in good oral health and should be updated annually to keep pace with inflation.
- 1.2** Dental plans should not carry any "lifetime maximums" (except for orthodontia specific policies and orthodontia lifetime maximum should be at least \$3500 with a similar annual update for inflation)

2. Preventive and Diagnostic Services

A significant proportion of dental expenditures are for expensive, invasive treatments to address disease that could have been avoided with adequate prevention or—if identified earlier—treated with lower-cost, lower-risk interventions. Prevention is the best insurance!

Consider the following plan design:

- 2.1** Preventive and diagnostic services should be covered at 100% with the patient not having any co-payment or co-insurance.
- 2.2** A deductible should not be applied to preventive and diagnostic services as this may deter some employees from scheduling needed appointments.
- 2.3** Carrier payments for preventive and diagnostic services should not be applied to the annual maximum.
- 2.4** Contract limitations such as waiting periods or frequency limits should not be applicable to diagnostic and preventive procedures. If applied, frequency of providing benefits should allow for coverage of preventive services at least “twice in a calendar or plan year” and not “every 6 months”. Restrictive frequency limits adversely affect the employee’s ability to maintain their health.
- 2.5** Gum disease has been linked to an individual’s ability to control their glucose levels. For employees who also have a medical history of diabetes, the dental plans should cover “periodontal maintenance” as a preventive service.

3. Coverages

Consider the following plan design:

- 3.1** A comprehensive benefits package should include coverage for basic and major restorative services and orthodontic treatment in addition to preventive and diagnostic services.
- 3.2** All dental service other than diagnostic and preventive services (or cosmetic procedures). Commonly referred to as “basic” or “major” services should be covered with no more than 20% co-insurance.
- 3.3** Fixed prosthetic appliances and implants should be covered in the plan to restore an employee’s ability to chew, speak and smile regardless of number of missing teeth.

4. Access to Dental Care

Consider the following:

- 4.1** Dental plans should allow employees to seek treatment from the dentist of their choice with no penalties for visiting dentists not in the plan’s network of providers and should allow employees to seek treatment from family members.
- 4.2** Benefit programs that offer dental benefits through a closed panel should also offer a plan with equal or comparable benefits that permits free choice of dentist under a fee-for-service arrangement and a complete and current list of dentists who participate in the closed panel plan should be provided and updated semi-annually.
- 4.3** Contracts should not have clauses in them that prohibit dentists from charging for procedures not covered by the plan as it may limit employee’s access to network dentists.

5. Financial Reserves of Plan

Consider the financial reserves of plans responding to the RFP.

- 5.1 The financial reserves of the plan should be adequate enough to assure continuity of the program.

6. Coordination of Benefits

Consider the following plan design:

- 6.1 When an employee has paid premiums or has had premiums paid on his/her behalf for coverage under two or more group dental plans the coverage from those plans should be coordinated so that the employee receives the maximum allowable benefit from each plan.
- 6.2 Plans should not contain non-duplication of benefits clauses but should allow for coordination of benefits.

7. Assignment of Benefits

Consider the following:

- 7.1 Dental plans should honor the employees request to assign benefits to the treating dentist regardless of whether or not the dentist participates in the plan's network.

8. Prompt Payment of Claims

Consider the claims payment history of plans responding to the RFP.

- 8.1 A dental plan should process all dental claims in a prompt and efficient manner.
- 8.2 All plans must comply with states prompt payment of claims laws.

9. Least Expensive Alternative Treatment

“Alternate” benefits should be avoided with treatment decisions best left to discussions between the doctor and the patient. For example, the dentist may recommend a fixed bridge, but the plan may allow reimbursement only for a removable partial denture. The patient may not always understand the payer's least expensive treatment policy, and what the out-of-pocket costs are, until the explanation of benefits (EOB) is received. Pay close attention to determine if the plans responding to the RFP have these types of clauses.

- 9.1 Avoid least expensive alternative treatment clauses as they are not necessarily in the best interest of the employee when it comes to the employee's long term oral health care needs.

10. Frequency Limitations

Pay close attention to determine if the plans responding to the RFP have these types of limitations.

- 10.1** Frequency limitations should not prevent the employee from receiving dental care necessary to maintain the employee's optimum oral health.
- 10.2** If a plan does limit the frequency on certain services provided, it is recommended that, for example, the benefit be stated as being covered twice in a calendar or contract year and not once every 6 months.

11. Waiting Periods

Pay close attention to determine if the plans responding to the RFP have these types of limitations.

- 11.1** Plans that will not pay a benefit for a covered procedure until the employee has been covered for a certain length of time are not necessarily in the best interest of the employee when it comes the employee's long term oral health care needs.

12. Pre-Existing Conditions

Some group health plans restrict coverage for dental conditions present before an individual's enrollment in the plan, such as missing teeth. These restrictions are known as "pre-existing condition" exclusions. Consider the following plan design:

- 12.1** Plans should avoid "pre-existing" condition clauses.

13. Rollover of Unused Benefits

Consider the following plan design:

- 13.1** Plans should consider allowing a portion of unused benefits in a plan year to be rolled over into the next plan year to help employee's offset future costs and to maintain the employee's optimum oral health.

14. Plan Language

Consider the following:

- 14.1** Plans should be written in a manner that is easily understood by employees and should not use technical jargon only understood by a dental professional.
- 14.2** At a minimum, summary of benefits statements sent to employees should include a list of covered services, reimbursement levels, estimated enrollee cost share, limitations and exceptions.

15. Notification to Employees of Coverage

Consider the following:

- 15.1** In order that the employee and dentist may be aware of the benefits provided by a dental benefit plan, the extent of any benefits available under the plan should be clearly defined, limitations or exclusions described, and the application of deductibles, copayments and coinsurance factors explained to the employees by the dental plans and employers. This should be communicated in advance of treatment.

Readiness Assessment Checklist

Many large employers utilize the services of benefits consulting firms to help purchase employee dental benefit programs. Ensuring that the RFP is seeking all the information required to make an informed decision is the first step towards purchasing a quality dental benefits plan. Many of the key elements of contracts noted in the next section must be included in the RFP in order to ensure that a comprehensive contract is established.

Past performance in terms of program administration including credentialing, network size, outreach, provider relations, and claims processing should be looked into closely before the employer approves the contract. In addition, employers should ask their dental plan carriers for a yearly report card to evaluate plan performance.

Below are some elements to look for when reviewing proposals in response to RFPs specific to a dental plan.

- When it comes to the number of dentists participating in the plan's network, the following should be considered:
 - ♦ Will employees retain the freedom to choose the dentist they want?
 - ♦ What is the geographic distribution of patients to dentists?
 - ♦ How often is this data updated and how is it communicated to employees?
 - ♦ Is the network size adequate enough to handle all of your employees?
 - ♦ If a high percentage of claims are being submitted by out of network dentists, could this be a sign that your network is not sufficient for the number of employees on the plan?
 - ♦ Will the plan allow for care by specialists?
 - ♦ Is coverage limited to contracted specialists, or may patients see the specialist of their choice?
- Does the proposal have a strategy to assure access for participants with special needs, non-English speaking participants and developmentally disabled participants?
- Is it time to reconsider your plan's annual maximum based on the percentage of employees who exceeded the annual maximum?
 - ♦ Have you asked the plan how much your premium will increase if the annual maximum is increased?
- How does the average annual benefit paid per beneficiary compare to the total annual premium for each beneficiary?
- Are claims being processed on time according to the agreement with the plan?

- ♦ If not, what action needs to be taken to resolve the claims processing issue?
 - ♦ Does your state have a prompt payment law and if so, are claims being processed within the limits of the law?
- Does the proposal include a process for addressing a) Employee grievances or complaints? b) Provider complaints?
- Do you have concerns with the percentage of claims being denied?
 - ♦ Are claims being adjudicated correctly?
 - ♦ Does the plan allow coverage for necessary treatment as determined by the treating dentist?
- Does the proposal include an efficient and fair process for oversight and management of potential fraud, waste and abuse?
- Are your employees taking advantage of the oral health educational materials offered by the dental plan?
 - ♦ If not, what action can be taken to help employees access this information?
- Does the plan have prior experience with quality measurement and improvement?
- Does the plan have the systems/data analytics capability to provide the employer with all necessary reports on a required basis?
- Are customer service calls being answered on time according to the agreement with the plan?

Plan Selection

If employees are engaged in the plan selection process, the questions below can be used to assess satisfaction with the current benefit plans.

- Does the plan allow you to visit the dentist of your choice?
- Did you find restrictions from the plan such as waiting periods?
- Does the plan apply a deductible for exams and cleanings?
- Was the explanation of benefits language easy to understand?
- Will the plan allow rollover of unused benefits from one plan year to the next?
- Overall, do you feel that the plan covers all the procedures necessary to maintain good oral health for you and your dependents?
- Do you feel that the plan adequately paid for the services you needed to maintain good oral health for you and your dependents?

When bidding for new plan administrators, the following metrics will help employers understand the quality of a dental plan.

1. Summary of explanation of payments

Total number of beneficiaries using benefit the past year	Total Claim Amount	Total Benefit payments	Total plan non-covered, out of pocket paid by employee

2. Dental Loss ratio: Percentage of Premium dollar (or equivalent for self-insured plan) paid for care instead of administrative expense: ____%
3. Percentage of beneficiaries who met or exceeded annual benefit: _____%
4. Average benefit paid per beneficiary per year: \$_____
5. Quality scorecard

Children: % of children receiving a dental examination (well-child dental visit)	
Children: % of children at risk for cavities receiving twice yearly fluoride	
Children: % of 6 – 9 yr children at risk for cavities receiving sealants	
Children: % of 10 - 14 yr children at risk for cavities receiving sealants	
Adults: % of adults with periodontal disease receiving periodontal maintenance treatment	
Adults: % with restorations receiving twice yearly examination	
Adults: % of those with diabetes receiving an oral examination	

6. Network dentist satisfaction survey: % of network dentists satisfied/very satisfied with:

Benefits verification system	
Billing inquiry assistance	
Appeals/grievance system	
Prompt payment	
Dentist portals	
EOB communications	

Selecting a dental plan requires receiving and evaluating a variety of information in order to make the best business decision for your company and its employees. Understanding your employees’ oral health needs before investing in a plan can help in identifying the best benefit for your employees. A group policy is a one size fits all and needs to reasonably accommodate employees with greater dental needs at an affordable cost for all.

The more you know about dental benefits, the better equipped you will be to ask the appropriate questions. The American Dental Association can be a resource in helping you support your employee’s oral health through a dental benefit.