

# **DRILL DOWN INTO DENTAL INSURANCE**

Your guide to buying  
group dental insurance  
for your employees



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# NO MATTER HOW LARGE OR SMALL YOUR COMPANY, CHOOSING A **DENTAL INSURANCE PLAN** IS A BIG DECISION.

You want the best for your employees, with benefits that meet their specific needs, conveniently located providers and a **cost you can all afford**. And you want to make sure the plan will help you meet your business goals — for recruiting the best talent, and keeping your people healthy and productive.

**That's a lot to chew on.** So, when it comes to shopping for benefits, you might be confused or even overwhelmed by the number of options you have and the number of factors you need to consider.

That's where this guide comes in. If you're a **first-time dental buyer**, it can help you narrow down the types of plans you shop for and the carriers you consider. If you're looking to **change insurance carriers**, it provides helpful tips and reminders of what you should expect when switching. No matter what you need, this guide is intended to help you make sense of workplace dental insurance — so you can choose the best plan with confidence.

## WHY OFFER DENTAL INSURANCE TO YOUR EMPLOYEES?

### HELPS YOU GET AND KEEP THE BEST TALENT.

**68%**

of employees say they consider dental benefits when choosing to stay at a job or move to a new one.<sup>1</sup>

### HELPS EMPLOYEES STAY ENGAGED & PRODUCTIVE.

**92.4**

million work or school hours are lost every year on emergency dental care.<sup>2</sup>



### Helps keep your people healthy.

Poor oral health is linked to several serious conditions, including oral cancer, diabetes, heart disease, stroke and premature birth. But routine dental care can prevent oral health problems and reveal signs of disease earlier, making conditions easier and more affordable to treat and control.<sup>3</sup>

### Does all this at an economical cost.

With employee-paid plans or shared-funding arrangements, you and your employees can get all the benefits of dental insurance, without breaking the bank. And plans provided through the workplace give employees access to discounts and lower group rates they could not typically get on their own.

## FINDING THE RIGHT TYPE OF PLAN

Dental plans come in many flavors: PPOs, DHMOs, discount programs and more. Which type of plan is right for your company?

Choosing a plan type depends on many factors, including your workforce demographics, your location, your budget and how much plan administration you want to shoulder. Here's how some common types of plans work, and how they differ.

### Managed-care plans

Managed-care plans are designed to control costs by encouraging employees to get preventive dental care and use pre-approved providers. There are two main types of managed-care plans: Preferred Provider Organizations (PPOs) and Dental Health Maintenance Organizations (DHMOs).

#### PPOs

A PPO plan helps employees get the care they need by covering a portion of their dental care costs, as determined by the plan design you choose. For example, many plans pay 100% of charges for diagnostic and preventive services, and 50% to 90% of the charges for other types of treatment. (You can read more about designing your plan in the next section of this guide.)

In addition, the plan contracts with a network of providers who agree to provide services to plan members at pre-determined, discounted rates. Employees can choose to see any dentist, but they pay less when they visit providers who are in the network. For example, let's say an employee needs to have a cavity filled:

- ★ If the employee uses a **network provider**, the provider would discount his or her rate for filling a cavity, and charge the amount designated in the contract. The plan and employee would pay their designated percentages of this charge, according to the plan design.
- ★ If the employee uses a **non-network provider**, the discounted rate would not be available, and the provider would likely charge his or her full price for the service. The plan and employee would then pay their designated percentages of this higher rate.

#### DHMOs

In a DHMO, participating providers receive a monthly payment for each insured person from the insurance carrier. Employees receive a list of services covered by the plan, along with the cost they will pay for each — kind of like a menu in a restaurant. In that respect, pricing for DHMO plans is transparent and easy to understand.

However, each employee must select and use a specific DHMO provider, who has discretion over what services to provide and what materials to use, within the boundaries of the DHMO contract. If employees seek treatment outside of the DHMO, they must pay for the entire cost of that treatment on their own.

### Discount dental programs

A discount dental program is not insurance, per se. It's kind of like belonging to a warehouse club: A person pays an annual fee to belong, and then gets discounted services. Employees have to use participating providers, and the program determines the discounts, but providers determine the fee schedules.

While the fee for a discount-program membership will generally be much lower than the premiums for actual dental insurance, employees typically pay much more for dental care when using these programs. And their costs are less predictable, since providers can revise their discounts at any time.

WHICH PLAN TYPE  
IS RIGHT FOR YOU?  
THAT DEPENDS ON  
**YOUR WORKFORCE,**  
**YOUR LOCATION,**  
**YOUR BUDGET**  
AND MORE.

## COMMON DENTAL PLANS AND HOW THEY DIFFER

 <b>TYPE OF PLAN</b>	 <b>ADVANTAGES</b>	 <b>DISADVANTAGES</b>
<b>PPO</b>	<ul style="list-style-type: none"> <li>• Plans are flexible and can be tailored to your business</li> <li>• Network discounts can significantly reduce the cost of care</li> <li>• Employees can see any provider they choose, so they can keep the dentist they like, or access care if they live where no in-network dentists are available</li> </ul>	<ul style="list-style-type: none"> <li>• Can be more complex than other plans</li> <li>• Employees pay more at non-network providers</li> </ul>
<b>DHMO</b>	<ul style="list-style-type: none"> <li>• Predictable costs for employers</li> <li>• Transparent costs for employees</li> </ul>	<ul style="list-style-type: none"> <li>• No coverage available at non-network providers</li> <li>• Provider choice can be limited</li> </ul>
<b>Discount program</b>	<ul style="list-style-type: none"> <li>• Low cost</li> <li>• Provides some discounts</li> </ul>	<ul style="list-style-type: none"> <li>• Leaves employees with large percentage of dental care costs</li> </ul>

 <b>TYPE OF PLAN</b>	 <b>EMPLOYEES CAN SEE ANY PROVIDER</b>	 <b>DISCOUNTS AVAILABLE AT NETWORK PROVIDERS</b>
<b>PPO</b>		
<b>DHMO</b>		<b>N/A</b>
<b>Discount program</b>		



## FUNDING YOUR PLAN

To fully insure or self-insure?

Another critical decision you have to make when offering a dental plan is how to fund it. This basically comes down to deciding who will shoulder the potentially substantial financial risk of paying claims, your company or your insurance carrier.

- ★ Fully insured plans give all the key responsibilities to the insurance carrier. The carrier charges a premium per person enrolled and is then responsible for administering the program and paying all claims.
- ★ With self-insured plans (also called Administrative Services Only or ASO), you are responsible for the plan's key responsibilities, including plan design and funding claims as they occur. For a monthly fee, the carrier manages claims processing, offers network access and provides customer service and compliance oversight. But you maintain ultimate responsibility for the plan, including all claims risk. The more employees use their benefits, the more your self-insured plan will cost.

Self-insured plans are not a viable solution for every business. Most employers offer fully insured plans, which are usually more predictable and cost effective for employers. Before making a final decision, think about seeking advice from a benefits consultant or broker.

# DESIGNING YOUR PLAN

Selecting coverage amounts, frequency, premiums, deductibles and co-pays.

If you choose a PPO plan, like many employers, you'll be able to tailor it to suit your budget and the needs of your employees. You may also be able to tailor a DHMO to some degree. The decisions you make when designing your plan will affect how much the premiums cost, as well as how much your employees have to pay out of pocket when they get dental care.

## Coverage amounts

Plans generally let you choose from a range of percentages the insurer will pay for certain types of services.

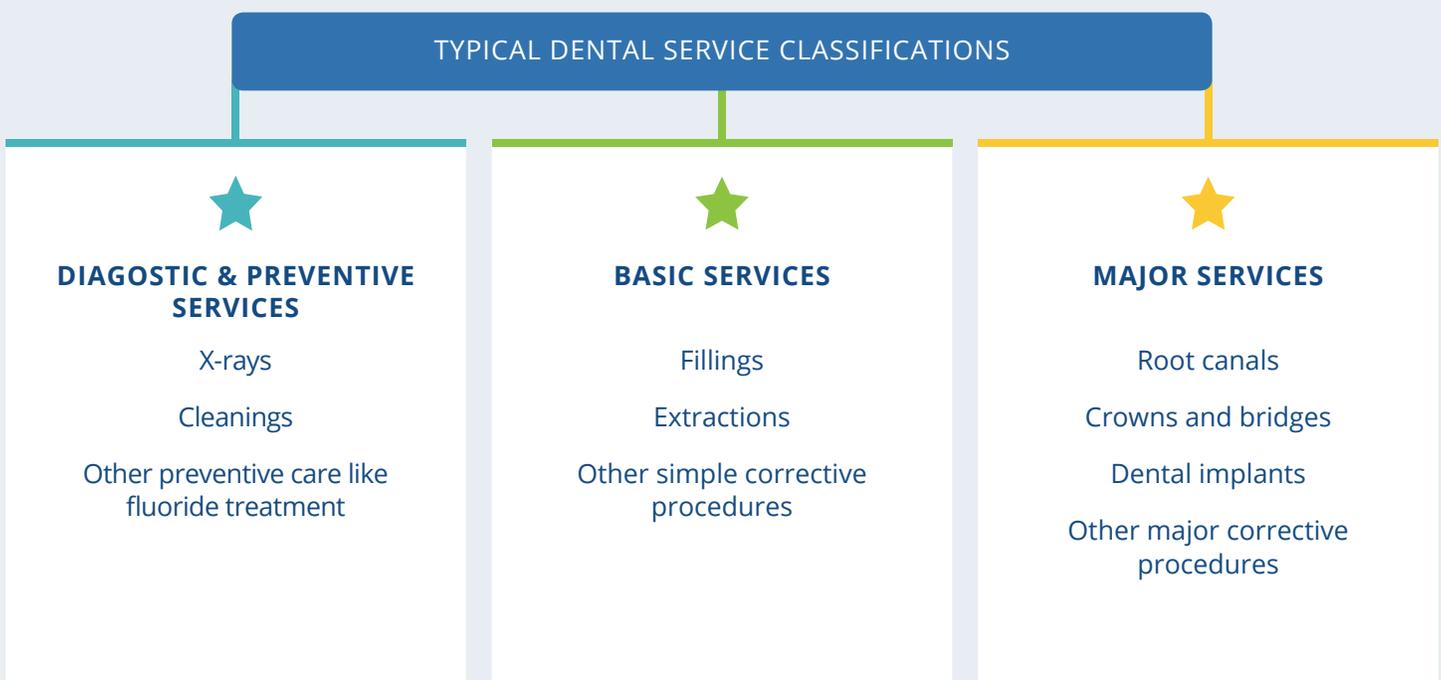
- ★ Most plans cover **diagnostic and preventive services at 100%**, meaning employees pay nothing out of pocket for these services. Fully covering these services can encourage employees to get preventive care, helping reduce the need for expensive corrective care in the future.
- ★ For **basic and major services**, you can usually choose from a range of coverage percentages, typically **50% to 90%**.
- ★ Employees will pay the remaining percentage of costs (also known as **co-insurance**).

Most plans cap the total amount they will pay for a covered person per year (**annual maximum**). You can also choose to provide a lifetime allowance (**lifetime maximum**) for specific services — for example, \$2,000 for braces.

You may also choose not to cover some services, such as orthodontia, or to limit who can receive them (for example, many plans cover braces for children only, while some cover them for children and adults).

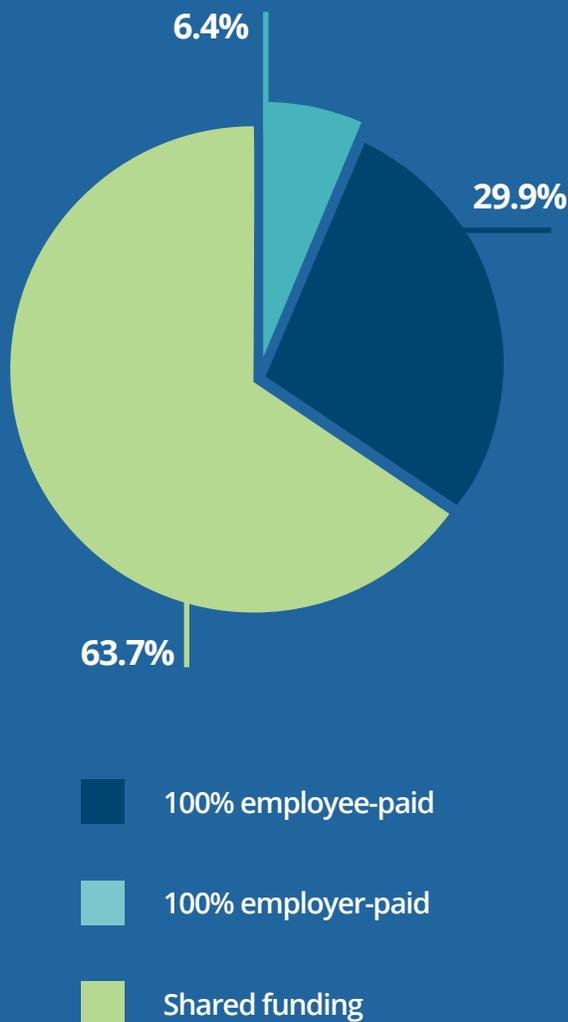
## Service classifications and frequency

Plans also offer some flexibility in specifying how services are classified (preventive, basic or major) and the number of times they are covered in a given time period. This lets you tailor your plan to meet your employees' needs. Your insurance broker or carrier representative can help you identify the right plan design(s) for your group.





## WHO PAYS PREMIUMS FOR U.S. WORKPLACE DENTAL PLANS?



Source: National Association of Dental Plans, 2017 State of the Dental Benefits Market, 2018.

## Premiums

You can also decide who will pay the premiums for your plan. While many employees pay the total premium for dental, you can choose to enrich your plan by helping employees with the cost of this critical benefit.

- ★ **Employee-paid coverage.** Nearly 30% of U.S. employers who offer dental plans require the premiums to be paid 100% by their employees.<sup>4</sup> Employees benefit by getting group rates and access to provider networks they couldn't get on their own.
- ★ **Employer-paid and shared-funding coverage.** If your budget allows, paying all or part of the dental premium can help keep your employees healthy and happy. As costs rise for all health care services, helping with the cost of dental care can go a long way toward keeping employee satisfaction high and turnover rates low. When they have increased access to more affordable care, employees are also more likely to participate in the plan and get preventive treatment, which may help avoid more serious health care costs.

## Deductibles and co-pays

Like health insurance plans, some dental plans begin paying benefits only after the employee has paid a certain amount out of pocket (deductible). And some plans may require employees to pay a set amount (e.g., \$10) each time they visit a dental provider (co-pay).



**TIP:** Consider designing your plan so employees can get preventive care as often as recommended by the American Dental Association. And watch how the plan describes frequency. Covering cleanings twice in a 12-month period provides your employees more scheduling flexibility than covering cleanings only once every six months. Bonus points if your plan covers more frequent exams for pregnant women, who are at higher risk of developing dental problems.



## CHOOSING A CARRIER

When it comes to companies offering group dental plans, you've got a lot of choices. But not all insurance carriers are created equal. Cost is clearly important, but don't base your decision solely on price. The strength of the provider network and the quality of the carrier's service will contribute mightily to your employees' satisfaction — and your own.

### Is the network strong where you need it to be?

The insurance carrier you choose will typically give your employees access to a specific network of dentists, periodontists, endodontists, orthodontists and other specialists. When comparing carrier networks, it's best to look beyond the nationwide number of carriers. Instead, ask these questions:

- ★ Does it have the **right providers** in the **right locations** so employees can access care when and where they need it? A strong network should offer quality care from credentialed providers close to where your employees live and work. Ask for "geo access reports" and/or a "disruption analysis" to help you compare networks.
- ★ Does it include the majority of **local** providers your employees already see, so most employees can keep their dental providers? Can employees easily refer their dentists to the network for recruitment?
- ★ Is it **constantly growing** and adding new providers, so you can be sure your employees have access to convenient, reputable providers as your business grows?
- ★ Does it provide tools that make **accessing the network easy and convenient**, such as up-to-date provider directories and online look-up tools?

**Good to know:** If your employees are located in areas with fewer dentists, they may find it more difficult to find a network provider. For these situations, look for a plan that provides robust benefits for employees who need to access out-of-network providers. Richer out-of-network coverage will help preserve their ability to get the care they need.

## Will the carrier make it easier to take care of your employees?

Different carriers can provide different services to make it easier for you to offer dental benefits and easier for employees to use them. Look for streamlined solutions for benefits management and employee access. Bonus points for carriers who provide one point of contact to help implement the plan, enroll employees and answer your billing questions — and who handle all claims administration in-house. Here are some other things to look for:

- ★ **Explaining the plan to employees.** Consider how you'll inform your employees about the plan you've chosen. You'll need to let them know how the plan works, how to find a provider, who can be covered and what costs they'll be responsible for.
- ★ **Encouraging employees to enroll.** Techniques like one-to-one conversations, group meetings, workplace posters, website messages and email campaigns can help employees understand why you're offering dental coverage and why they should enroll.
- ★ **Enrolling employees.** Most companies include their dental plan alongside their other benefits, such as health insurance, in their annual benefits enrollment.

Once your employees have enrolled, they are likely to begin using their coverage right away. Here's what you should be able to expect from your dental carrier:

- ★ **Helpful customer service.** When employees have questions or issues to resolve, they should be able to reach your carrier in an easy and intuitive way — through an 800 number or online, for example. Questions should be answered promptly by well trained and knowledgeable people.
- ★ **Simple access to information.** Employees should be able to easily get provider information and manage their claims — through a user-friendly online portal or mobile app, for example. Some carriers offer access to a library of educational materials and resources, which can be a real plus.



## CARRIER TIPS

**#1** Look for a carrier who can provide **attractive, easy-to-use materials** to help you communicate with your employees, so they'll be able to make informed decisions about participating.

**#2** Look for a carrier with a **variety of communication** capabilities to fit how your company operates and how your employees prefer to get information.

**#3** Look for a carrier who can easily enroll dental benefits within your preferred enrollment system or method. Bonus points for **carriers that offer multiple employee benefits**, which can significantly reduce your HR department's administrative burden by integrating tasks like account set-up, enrollment and billing.

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## FIRST TIME BUYER?

### Look for:

- Coverage that can be tailored for you and your employees
- Strong local provider network
- Employee education capabilities and enrollment support

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## THINKING ABOUT SWITCHING CARRIERS?

### Focus on:

- Strong and growing local provider network
- Flexible plan to meet your specific needs
- Superior customer service
- Integration with other benefits you offer, for simplified administration

## WHAT TO LOOK FOR IN A DENTAL CARRIER

### REPUTATION & EXPERIENCE

Look for an insurer with a longstanding reputation. Established carriers are more likely to pay claims quickly, have good provider relationships and offer superior customer service.

### NETWORK STRENGTH

Because coverage costs less when employees use network dentists, check out the strength of the carrier's dental network. Does it have enough providers to choose from near where your employees live and work? Can your employees keep their current dentist? Is the network growing?

### BENEFITS ADMINISTRATION SOLUTIONS

Look for a carrier who makes it easy to administer your benefits. You can significantly reduce the burden on your HR department by choosing a carrier that streamlines billing and claims processing, while offering multiple employee benefits.

### COMMUNICATION & ENROLLMENT RESOURCES

You'll have an easier time getting your plan up and running if you have a carrier who can help you educate employees about the plan and enroll it alongside your other benefits. Ask about communication and enrollment resources when you interview carriers.

## PLAN DECISION CHECKLIST

### PLAN TYPE

- Do you want a PPO plan, to lower costs while still offering flexible plan design, provider choice and quality of care?
- A DHMO, to make costs predictable and transparent for you and your employees?
- A dental discount program, to provide some low-cost benefits?

### FUNDING

- Are you able (and willing) to shoulder the claims risk to self-insure the plan?
- Or do you prefer little or no claims risk and the increased financial predictability of a fully insured plan?

### PROVIDER NETWORK

- Does the plan you're considering have an adequate number of providers near where your employees live and work?
- If you are located in an area without an extensive network, does the plan also provide robust benefits for using out-of-network providers and/or a plan for recruiting more?

### PLAN DESIGN

- Will you or your employees pay the premiums (or share them)?
- Will the plan require deductibles and/or copays?
- What level of coverage will the plan provide for specific treatments and services?
  - 100% coverage for preventive care?
  - Extra screenings for at-risk people like expectant mothers?
  - Oral cancer screenings?
  - Orthodontic care for children and adults?



## THE LAST WORD

Your choice of a dental plan means a lot to your employees, and to your company. That's because when you protect your employees' oral health, you protect your bottom line, too.

When you think about it, it just makes sense that happier, healthier employees will help you achieve your business goals. So it's important to choose a plan from a carrier who can give all of you excellent, affordable care and superior customer service — something everyone can smile about.

# DENTAL INSURANCE TERMS

Here are some terms you might come across when researching dental plans, along with their definitions.

**Annual maximum:** The maximum dollar amount a plan will pay out for care in a 12-month period.

**Balance billing:** When a dental provider bills an employee for the difference between their charge and the carrier's regional discounted rate.

**Benefit:** The amount a plan pays for a dental procedure or service.

**Carrier:** Any insurer, managed-care organization, or group hospital plan, as defined by applicable state law.

**COBRA:** Federal legislation regarding the continuation of health benefits for all types of employee benefit plans provided by the employer.

**Co-insurance:** The specified amount or percentage the insured person pays for covered services identified in the dental plan.

**Co-pay:** A fixed dollar amount that an employee must pay at the time service is rendered.

**Deductible:** A dollar amount an employee must pay for covered services before the plan begins to pay benefits.

**Dependent:** Spouse or child of an insured person who is eligible for dental insurance coverage. Eligible dependents may vary by state.

**Exclusions:** Specific conditions, services or treatments for which a plan will not provide coverage.

**Maximum allowable charge:** The maximum dollar amount a dental program will pay toward the cost of a dental service as specified in the program's contract provisions.

**Maximum benefit:** The maximum dollar amount a dental plan will pay toward the cost of dental care in a given period.

**Pretreatment estimate:** A written estimate of benefits available as of a specific date and time, given to an employee or treating dentist in advance of proposed treatment.

**Preventive and diagnostic services:** Dental procedures concerned with preventing dental diseases through protective and educational measures (e.g., exams, cleanings, x-rays and fluoride).

**Waiting period:** A stated period of time that an employee must be enrolled in a plan before being eligible for benefits or for a specific category of benefits.

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<sup>1</sup> Employee Benefit Research Institute, 2017 Health and Workplace Benefits Survey, 2018.

<sup>2</sup> Centers for Disease Control and Prevention, Hours Lost to Planned and Unplanned Dental Visits Among US Adults, 2018.

<sup>3</sup> Healthline, Preventive Dentistry, 2019; Mayo Clinic, Oral Health: A Window to Your Overall Health, 2018; American Dental Association, Questions About Going to the Dentist, 2017.

<sup>4</sup> National Association of Dental Plans, 2017 State of the Dental Benefits Market, 2018.



## DENTAL SOLUTIONS

Want to learn more?  
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MK-3725 (5-19)