

# What Employers Want in Dental Benefits, Recognizing the Value of PPO Networks

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When evaluating dental benefits, do you know what employers and employees really want? Do you know which of the following attributes are most important?

- Quality dental coverage
- Flexible plan design
- Affordable premiums
- Exceptional customer service
- Timely and accurate administration of benefits
- Friendly carrier with an excellent reputation
- Choices in dental providers

Most employers and employees would say all seven considerations are important in evaluating dental benefits.

## **KNOW THEIR EXPECTATIONS**

Dental insurance has become a high-demand benefit, often considered a staple plan in employee benefits packages by many employers across the U.S.

Employers want dental benefits that provide the coverage employees need, along with quick and efficient payment of claims by the insurance carrier. They do not want any hassles with dental plans.

Employees are very particular about the dentist who takes care of their teeth. They want to see the dentist of their choice, and preferably someone not too far from where they live or work. Once employees find a dentist they are comfortable with, they stick with that person. And, they are not happy when employers switch dental plans and their preferred dentist is not included in the list of participating providers.

The Challenge for Agents. As an agent, you know that some employers clearly identify the benefits they want, while others are uncertain what they need. All have expectations that the plans you recommend will be the right solutions.

To tailor the options to fit each employer group, you will want to listen to employers' ideas and ask many questions to help you understand their needs and expectations of benefits so you can determine the plans that will work best.

## **IDENTIFY DIFFERENCES IN PLANS**

Not too long ago, dental carriers offered the same coverage options under 100-80-50 plans, with few differences in exclusions or prerequisites. Today every carrier designs coverage differently.

Although dental plans are not as complicated as medical benefits, there are significant differences in the

coverage options provided by dental carriers. Agents must review all of the options to ensure the plan and carrier under consideration really fit the needs of employers and employees.

### **Look for Flexibility**

Employers frequently need to adjust operations to accommodate market changes or company growth. Corresponding adjustments may be needed in dental benefits options, network design and provider lists. Some carriers are rigid in their plan designs, while others are willing to work with employers to develop the best plan solutions.

If this feature is important to employers, work with insurance carriers with a broad selection of plans that can be customized to fit a variety of employer needs. Key factors to consider are carriers with multiple product options, provider networks large enough to serve company locations across the country, and a willingness to design solutions specific to employers' needs.

### **Predictable Premiums**

It is no surprise that benefit costs are among the top concerns of businesses today. Although employers want to provide the best quality benefits for employees, cost is a determining factor in the final decision. While it is tempting to focus on the bottom line, it is just as important to understand the value and coverage options featured with the plan. Some carriers price benefits to look great from a total cost perspective, but the plan may include coverage limitations or restrictions on access to services. Others set their plan cost low the first year and then at renewal time significantly raise rates in order to cover their losses from the previous year.

A carrier with expertise in dental should price its plans so the cost is predictable and consistent, with only slight adjustments to accommodate changes required by the group. This makes it easier for employers to set their benefits budgets.

### **Genuine Customer Service**

Many insurance companies talk about providing great customer service, but few actually deliver. Evaluate the satisfaction levels of employers and dental providers currently under contract with carriers. What do they consider are the pros and cons of working with the carrier?

Look for carriers that provide the customer service your employers expect and can demonstrate sustainable quality service over time.

### **Timely Administration of Benefits**

Most employees visit their dentists more than once a year so the frequency of claims is greater than that of medical plans, yet the cost per claim is less. The higher the frequency of claims, the greater the potential for error. Employers want claims processed with minimal complaints from employees. Today, benefit plans incorporate a large amount of employee data. Some carriers are better than others at managing employee information accurately and efficiently.

Many employers become easily frustrated with glitches in the administration of benefits. To avoid potential problems:

1. Analyze carriers' capabilities in client reporting
2. Evaluate carriers' long-term financial expertise and how they manage their business, as well as their actuarial and underwriting resources and experience.
3. Review the fine print in the plan, comparing coverage levels, features, participant qualifications, and disclaimers. The plan might look great up front, but may not provide the coverage and value expected. Are coverage limitations or prerequisites clearly communicated or hidden in the text?

Answers to these questions will provide a picture of the business philosophy and service history of the insurance carrier.

### **Carriers Experienced with Dental**

Every carrier has different strengths and capabilities. Look for carriers with experience in dealing with the specific needs of each employer and employee group. Consider the type of cases the carrier handles, the stability of its business, and evaluations by employers currently under contract as to the quality of the benefits offered, as well as the size and makeup of the provider network and the satisfaction level of the participating dental offices. If the answers do not demonstrate a commitment to employers similar to what your clients are looking for, then you should consider other carrier options.

### **Choices in Dental Providers**

Most employers and employees want a PPO – Participating Provider Organization – network incorporated into their dental benefits, so they have access to the dentists of their choice at contracted prices for the care they receive. Many employers and employees believe PPOs are standardized programs administered similarly by all dental insurance carriers.

However, PPO networks are designed and administrated differently by carriers, including the coverage amounts for the care and services provided by dental offices, and the structure of the network. When comparing PPOs, the top factors to consider are the financial impact for the employer and employee and general employee satisfaction. Here is how to get an accurate assessment.

- Network size – more dentists are not always the right dentists. Dental carriers tend to promote the size of their networks. However, a bigger number does not always mean employees will have access to the dentists of their choice. Find out how each carrier counts PPO dental providers (they do not all use the same method).

**Providers** counts each individual dentist under contract with the carrier. Each provider is counted only once. A network using this count may appear to be significantly smaller when compared to other carriers' networks in the same market that are using different counting methods.

**Locations** reflects the number of office locations where dentists are under contract with a carrier, but does not represent the actual number of practicing dentists at each site.

**Access Points** identifies the number of dental providers at each office location where they practice. If a dentist practices at three different locations, he or she would be counted three times in that network.

Understanding this terminology, and asking carriers how they count their network dentists, will help you make a more accurate evaluation of PPO networks.

- Disruption analysis. Like network size, carriers also have different definitions for disruption when it comes to PPO networks. Does the carrier offer a PPO network that includes employees' preferred providers?

Ask employees to identify their key dental providers and review a recent history of paid claims. If the employer's current plan has a network, separate out the dentists who are not affiliated with the PPO. Likewise, if the existing dental plan does not offer a PPO, develop a list of utilized dentists. If there is a good match of dentists, and if currently utilized non-PPO dentists are on the new network, employee satisfaction will be high.

The goal of this comparative analysis is to determine the level of disruption that might occur with a new dental plan and network change. A positive comparison will create less disruption and fewer employee complaints about the new dental plan.

- Contracted fees and services – Dentists participating in PPOs agree to provide care based on a specific, negotiated fee structure, offering employees guaranteed costs for contracted services. However, these fees often vary with each dental carrier, and the details of their agreement may be different for each dentist. Some networks provide a flat percentage discount on dentists' usual fees. Others contract for fixed fees with a wide range of percentages off the usual and customary fees.

Determine whether the contracted dentists in the employers' market offer guaranteed discounted fees for all or a portion of covered procedures. Request that each carrier under consideration provide information in writing describing the fee structure and what is covered. Ask if dentists are required to give guaranteed fees for every procedure covered under the contract.

Evaluate the fee structure for employees using out-of-network dentists. Each carrier covers these services differently, so make sure employees receives this information. Otherwise, employees may be surprised with unexpected dental costs, and their dissatisfaction with their dental benefits may increase dramatically.

- Credentialing – A carrier should enforce credentialing requirements that dentists must meet to remain on their network, including verification of malpractice insurance (no suits filed) and state insurance department confirmation that dentists are licensed. A carrier's law department and dental consultants should review any disciplinary action or malpractice suits made against a dentist.

Recredentialing processes should be repeated periodically to ensure dentists are meeting the carrier's standards.

### **OFFER THE RIGHT SOLUTIONS**

With the many choices available today in carriers and plans, along with the high expectations of employers and employees, designing the best dental benefits for an employer can be challenging. Work with employers to determine their wants and needs and then carefully evaluate the dental plans and networks designed by carriers under consideration for dental benefits. Look for those with quality coverage, flexibility to meet employers' changing requirements, a good selection of plans, and a quality PPO network that matches employees' preferences, along with predictable and affordable premiums. Finally, partner with a carrier that has a reputation for supporting its plans with the excellent customer service and administrative structure both employers and employees expect.

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*For assistance in understanding insurance plans and carrier choices, or comparing coverage options, contact the Ameritas Group marketing department at 800-776-9446.*