



# AMERITOPICS

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## THE AMERITAS HIGH/LOW PLAN: AN APPEALING ALTERNATIVE TO DUAL CHOICE

If you're looking for a variety of dental benefits to fit your clients' needs, Ameritas Group Dental and Eye Care can help. If you need options within a dental plan to suit a particular group, we can do that too. And if you want to add flexibility and freedom of choice to the mix, the Ameritas High/Low dental plan is the way to go.

### The Ameritas High/Low Dental Plan

Our voluntary (pretax) High/Low plan is for groups with as few as fifty eligible employees and requires no employer money. The plan features two reimbursement levels—two premiums—in one plan. Employees choose the dental plan that best fits their needs. Participation requirements are low (50% for groups up to 200 and 40% for 200+) and can be customized for groups of more than 200.

Here's what the plan looks like:

High Plan 100/80/50 OR Two-tier (in-network and out-of-network reimbursements)  
Low Plan Schedule OR 100% UCR/Schedule/Schedule

High/Low offers the added benefit of plan choice for employees. But there's much more than that. Employers can also offer the PPO option (depending on whether or not PPO is available in the area), and employees can choose a PPO or non-PPO dentist. Either way, they still receive benefits; however, out-of-pocket costs are usually lower when visiting a network dentist.

Employees can switch plans during the annual enrollment period and choose the plan that best fits their situation. With the Ameritas High/Low plan, a buy-up option is available; when the employer funds 100 percent of the Low plan, employees may buy up to the High plan and pay the difference in cost.

### The following options must match on both the High and Low plans:

<b>Deductible</b>	\$50 calendar year or higher (may be waived for Preventive), no family maximum
<b>Maximum</b>	\$1,500 calendar year or less
<b>Ortho</b>	Up to 50% coinsurance and \$1,500 lifetime maximum or less
<b>X-rays</b>	Preventive or Basic
<b>Perio/Endo</b>	Basic or Major

### Compare To Dual Choice

Having two plans to choose from is good. But make sure you're referring the right set of plans to the right groups. Dual choice is another type of dental plan that includes an inexpensive option (prepaid) and a richer plan option (indemnity). This diverse offering holds the same appeal as High/Low for groups that want options. But there are some differences to watch for.

Prepaid plans are affordable and easy for customers to understand. A plan that combines UCR and scheduled reimbursements, like the Low plan, shares these same advantages. In fact, it is structured to compete directly with prepaid. With PPO added to the mix, this plan design offers freedom of choice in providers, which prepaid plans don't. A UCR/Schedule/Schedule plan with PPO can be offered anywhere in the United States that PPO panels exist.

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Ameritas Group, a division of Ameritas Life, offers group dental and eye care insurance products nationwide. In New York, insurance coverage is provided through First Ameritas Life Insurance Corp. of New York.

Ameritas Life is rated Ag (Excellent) by the A.M. Best Company. This is the third-highest of Best's 15 ratings. Ameritas Life is rated AA "Very Strong" for insurer financial strength by Standard & Poor's. This is the third-highest of S&P's 21 ratings.



A High/Low plan also eliminates the gate keeper of the prepaid plan. A prepaid plan's dental director may have to authorize all specialty referral procedures. Most prepaid plans will not pay for services not approved by the gate keeper. Not so with a High/Low plan. Also, not all procedures covered by the Low plan are covered under prepaid.

Contracted dentists have the most risk in the prepaid plan, so they benefit most if the plan runs well. With a High/Low plan, the carrier and the employer have all the risk, so they can adjust plan designs to better manage the financials of both the High and the Low plans over time.

The producer may have to sell a new, higher rate on the indemnity side of a dual choice plan each year or shop the plan. This is necessary to compensate for the employees considered to be "bad risks" who choose and stay with the indemnity plan. But an employer can rely on the expertise of the carrier to manage a High/Low plan so double-digit rate increases are not necessary, and it's less work for the producer.

### Target Groups

Certain types of groups are prime candidates for a High/Low plan. The choice in plans caters to groups with distinct categories of workers -- people who are looking for inexpensive benefits and those who would like a richer plan. Groups that have both salaried and hourly employees can benefit from High/Low. Hospitals, schools and municipalities are some examples.

For a group that currently has a dual choice plan in place, switching to a High/Low plan will be easy and appealing. Employees will get the same choice of basic and richer plans, plus the added benefits of freedom of choice in selecting dentists and no gate keeper or approvals on special procedures. And employers will appreciate the ability to work with the carrier in managing plan design and avoiding large rate increases, which helps to maintain plan participation.

Keep in mind that groups with multiple locations may have a wide variation in schedule amounts on the Low plan depending on the difference in geographic regions. So High/Low might not be ideal for these groups.

## Why High/Low?

- Plans provide a choice of benefits and costs for employees
- Benefits employers with widely diverse employee compensation levels
- Increases employee participation
- Improves the financial stability of the dental plan—no huge annual rate increases
- Employees have the option to switch plans at annual enrollment
- Employees have the cost-saving PPO option
- Both plans allow freedom of choice in providers

### Go With High/Low

A High/Low plan is an affordable solution for employees at all levels of income. And employees are free to switch plans at annual enrollment if their needs change. The same procedures and frequencies are covered in each plan. Only the reimbursement types differ. And the flexibility of a High/Low plan is likely to increase plan participation, which is a bonus for employers.

It's important to know the benefits and options of a

High/Low plan so you can explain the advantages to employers, and they can educate their employees, who are more likely to participate in the plan if they realize they can afford it or that it offers the benefits they want. Rely on your sales rep and carrier to provide the expertise you need to back the High/Low plan. If you have questions about High/Low or other product offerings, please contact your Ameritas Group Dental and Eye Care sales representative today.

## HIGH/LOW VS. DUAL CHOICE: DETAILS THAT MAKE A DIFFERENCE!

### Prepaid (Dual Choice)

Insureds must visit prepaid panel dentists to receive benefits  
 Gate keepers may have to approve specialty services  
 Dentist receives a capitation payment for prepaid patients  
 Sold only where prepaid plans are available  
 Prepaid may not cover all standard procedures  
 Large rate increases likely with dual choice indemnity plan

### The Low Plan (High/Low)

Insureds can visit **any** dentist and receive benefits  
 No gate keepers  
 Dentists are reimbursed on a fee-for-service basis  
 Plans sold anywhere in U.S.; PPO available where panels exist  
 Cost-effective Low plan covers all standard procedures  
 Employer and carrier maintain costs of both plans