Brushing up

Employees rate dental plans quite high on their benefit scale. Employers should take note and look for ways to contain costs.

BY ROSEMARY PEROS

APRIL IS NATIONAL ORAL HEALTH AWARENESS MONTH.

While we all recognize the importance of good oral hygiene, it’s also important to ensure that employer-sponsored dental benefit plans are given an annual checkup. It’s often been said that dental benefits are the “poor second cousin” to drug benefits when it comes to the amount of time and attention spent on reviewing benefit plan design. In recent years, with spiralling double-digit drug cost increases, dental benefits and their associated increases have largely been ignored or deemed to be acceptable in comparison to the drug plan cost increases.

Unlike basic medical coverage in Canada, to which all residents have universal access, no such system is in place for dental benefits. As such, Canadians rely heavily on employer plans. In fact, in a recent sanofi-aventis Healthcare Survey, plan members ranked dental benefits coverage as the second-most valued and important benefit, after the drug benefit.

Clearly, Canadian employees value their dental benefits coverage and have a strong desire to continue its availability. Employers, more so than ever, face increasing challenges in recruiting and retaining high-calibre and desirable employees. A very important piece of the compensation mix are employer-offered benefit plans. Because of this, employers should endeavour to consistently review their benefit plans to ensure the offering is competitive and in-line with growing trends, while at the same time address cost increase concerns.

INCREASING COSTS

Employers continue to face escalating costs associated with offering and maintaining employer-sponsored benefit plans. Over the past few years, drug plan costs have increased at an average rate of 15% to 18%, while dental plan increases have been in the 7% to 10% range. Although smaller, the dental increases are not insignificant and certainly should be addressed.

Providers, such as insurance companies, are under increased pressure to offer cost-containment measures that balance the needs of both the employer and employee.

Employers looking to contain dental plan cost increases should not forget about traditional methods such as decreasing overall dollar maximums and increasing copayments and deductibles. These are still very effective tools that can be used to manage increases. Other more recent and innovative tools are the use of healthcare spending accounts and flexible benefit plans. Flexible plans are becoming more popular in that responsibility is placed on members to choose what benefit and benefit level is most suited to their personal situation. For employers, costs can be managed by offering predetermined dollars or “credits” to employees. This is a win-win situation as employees can customize their plan selection and employers can contain costs while offering choice for a diverse workforce.

Employers are encouraged to promote awareness among their employees regarding what benefits and features are included in the plan design and to fully understand the financial out-of-pocket implications relative to deductibles, copayments and maximums. Members are also encouraged to foster open dialogue with their dental providers to ensure that appropriate and relevant care is being provided and that members understand and verify actual treatment being recommended and given. This, too, will promote a better awareness for plan members but can also lead to a reduction in unnecessary utilization, which can lead to decreased costs.

The ultimate goal for employers is to provide meaningful benefits for their employees that are highly valued while at the same time maintaining the best value for each benefit dollar. As dental sciences continue to advance, so, too, must dental benefit plan designs and employee options. The challenge remains finding that optimal balance between benefits and costs.

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