How Today’s Managed Dental Plans Can Add Real Value
Managed Dental Plans like Dental HMOs tend to be viewed as the low-cost option for dental benefit plans, but this type of plan can make a big impact on an employer’s benefit package and increase employee health and satisfaction when designed appropriately.

Despite economic challenges, dental benefits and Managed Dental Plans, in particular, remain a key element of the employee benefit mix in states like California, Florida, New Jersey, New York and Texas. Employees of all ages value dental benefits and continually rank dental benefits in their top five most important benefits. Seventy-three percent (73%) of all employees own dental benefits,¹ according to the Tenth Annual MetLife Study of Employee Benefits Trends. Of surveyed employees who own dental benefits, 93% get them through the workplace.¹ Having so many employees with access to dental benefits is important given the research underscoring the links between oral health and overall health. Employees with dental benefits are more likely to visit a dentist than those without dental benefits.

Brokers and employers should take a closer look at Managed Dental Plans since employees value cost-savings and choice in the dental marketplace. While Managed Dental Plans tend to be viewed as the low-cost option, this type of dental benefit plan can actually make a positive impact on an employer’s benefit package as well as employee health and satisfaction, when designed appropriately. The right Managed Dental Plan can add real value and addresses the needs of employers and employees in markets like California, Florida, New Jersey, New York, Texas and others that contain strong, stable DHMO networks.

Brokers are uniquely positioned to help their clients assess the value of these plans, not just by cost, but also by features that ensure a quality experience for their employer groups and employees. Brokers and employers should discuss Managed Dental Plans as a value-added addition, or as an alternative, to Dental Preferred Provider Organization (DPPO) plans. Cost-conscious employers and those who have not reviewed their dental plans in many years may find these discussions especially valuable. You can use the following list of questions to help analyze if a Managed Dental offering is a good fit and whether it offers a quality experience to covered members. The following questions can be used to assess the quality and variety of available Dental HMO/Managed Care plans:

¹ Tenth Annual MetLife Study of Employee Benefits Trends, March 2012.
1. Is a Dental HMO/Managed Care offering a possibility based on the geography and demographics of the target employer group?

Dental HMO/Managed Care enrollment is concentrated in states with large urban populations, according to statistics from NADP/DPPA 2011 Dental Benefits Joint Report: Enrollment. California, Florida, New Jersey, New York and Texas are strong markets for Dental HMO/Managed Care plans. California boasts the highest number of residents belonging to a Dental HMO/Managed Care plan at 3 million, followed by Florida and Texas with 1.2 million each, New York with 481,000 and New Jersey with 402,000. Reversing a long-term trend, commercial Dental HMO/Managed Care enrollment increased 10.3% between 2009 and 2010—the first increase in enrollment in seven years.

2. Does the plan demonstrate a holistic approach to deliver value for employers, members and dentists?

An effective Dental HMO/Managed Care plan addresses the needs of all stakeholders—employers, members and network providers. The Dental HMO/Managed Care plan should deliver savings, service and quality to employers and employees and allow dentists to receive adequate reimbursement for appropriate dental treatment. Some Dental HMO/Managed Care plans sacrifice network provider interaction for price and cost, which could lead to increased grievance rates from dissatisfied members, as well as provider disputes and provider turnover. To maximize satisfaction and participation, a Dental HMO/Managed Care plan should balance value that employers and members expect (comprehensive benefits at an affordable cost) with the compensation that dentists expect. How does the plan accomplish this? For example, how does the plan promote efficiencies and profitability for participating network dentists so that the network remains stable?

Contracted dentists and members must be served so that the member has a smooth, seamless dental benefit experience. Providers should know the plan and benefit company requirements and members should get detailed plan information on how to use their benefit plan with maximum ease and efficiency.

There is innovation in Dental HMO/Managed Care plan design and breadth of coverage as some plans offer more comprehensive products that may provide coverage for some of the most in-demand procedures, such as implants and cosmetic procedures. Plan designs that integrate current clinical research and marketplace trends can be more cost-effective and more clinically appropriate. They can also improve employee satisfaction. A comprehensive Dental HMO/Managed Care plan design can address how the plan assimilates evidence-based research, treatment protocols, and market demand into the benefit design to ensure coverage aligns with today’s standards of dental care and patient expectations.
3. Is the Dental HMO/Managed Care plan designed to promote oral health and value or to show well on a spreadsheet?

As employees bear a larger cost burden, they expect more from the plan. Does the Dental HMO/Managed Care plan cover the services that members value, such as posterior composites, bruxing appliances and cosmetics? But value isn’t always readily apparent to the employers and brokers who simply compare spreadsheets of procedure codes or to the employees who do not appreciate what services are necessary and appropriate to support their oral health long after they’ve purchased coverage. For example, services, such as periodontal maintenance and local chemotherapeutics, may be viewed as important adjuncts to periodontal treatment. Does the Dental HMO/Managed Care plan provide coverage for services, such as implants (and the services that support implants like grafts and cone beam images)? Dental implants have traditionally been excluded from Dental HMO/Managed Care coverage, but many dental research sources now view them as standard treatment considerations.

4. Does the Dental HMO/Managed Care plan deliver on employee needs and expectations for care?

Providing a level of care that’s necessary for good dental health is the baseline for a quality Dental HMO/Managed Care plan. Given the consequences of poor oral health, a well-designed plan should offer affordable access to necessary care and encourage appropriate treatment and/or follow-up care. This may include periodontal maintenance visits, local chemotherapeutics, implants, grafts and other elements.

Dental HMO/Managed Care plans should include operational features that help to ensure that employers address employee satisfaction, control dental plan costs and provide a meaningful benefit. Dental HMO/Managed Care plans should also provide coverage for services and procedures that consumers view as necessary and important. You should examine each plan to determine whether it is consistent with market trends, dental research and treatment protocols (for example, posterior composites, bruxing appliances, etc.). When evaluating plans, assessing the type and number of covered codes may be important, along with the distribution of the covered procedures across diagnostic, preventive, restorative, surgical and periodontal categories.
5. Does the Dental HMO/Managed care plan offer a large, well-managed network?

Plan participants expect to have conveniently located, high-quality dentists in the network. Dentists must be able to accept new patients and offer convenient appointment times. A worthwhile Dental HMO/Managed Care plan has a large enough network in the necessary business regions so that employees have sufficient access to dental care and dentists can grow their patient base, achieve operational efficiencies and receive adequate compensation. To accomplish this, the Dental HMO/Managed Care plan must have a large and expanding membership coupled with rigorous and ongoing network management processes.

The Dental HMO/Managed Care plan must also deliver tools and processes pertaining to health and safety issues that go beyond regulatory mandates. How does the Dental HMO/Managed Care plan achieve this? How does the plan work with the provider community, in academia and in practice, to identify and disseminate best practices that promote good oral health and safety for members?

6. Are network providers properly qualified?

Plans can create a positive experience for members by evaluating the credentials of each provider at a facility and giving members information about the providers on an ongoing basis.

Plans should have active quality management and/or utilization management programs that can identify significant patterns of care or service and provide educational experiences to contracted providers. Such plans keep their members and providers satisfied through ongoing dialog between the plan and the provider. Some plans include active monitoring, as well as educational and re-training components in their interactions with providers to ensure that members always get smooth service, which contributes to minimal provider turnover. Evolved plans offer value to their providers, so they continue to join and stay in the network.

Having less turnover means that employees can build those long-term relationships with their providers. Plans that periodically visit providers onsite can create optimal working relationships with providers, which can lead to higher member satisfaction, higher provider satisfaction and fewer complaints for the employer. Plans that publish expected clinical and utilization policies can remove further misunderstandings among stakeholders.
7. Is the plan language clear?

Unambiguous Dental HMO/Managed Care plan language promotes better understanding of financial obligations, which increases member and provider satisfaction and protects the plan and its members. If charges are clear, appropriate and fair, participants and providers will more readily accept and understand contractual terms and conditions.

A plan’s schedule of benefits, limitations, exclusions and policies should be clear and readily available to all stakeholders. Offerings of covered services to handle most commonly encountered dental conditions and non-covered services should make sense.

Do the plan designs and plan documents protect members from inappropriate charges? Some plans may have minimal or no features to control inappropriate member charges, such as potentially unbundled charges that often accompany fillings. Or they may have an unclear copayment policy for office visits or lab fees associated with crowns or bridges. Are dentists compensated fairly for services, such as provisional crowns or is the plan’s reimbursement methodology fundamentally deficient by encouraging dentists to find and charge for non-covered services or alternatives?

Conclusion

Brokers and employers should educate themselves about the value Managed Dental Plans may provide as a stand-alone or dual-option offering. They can discuss solutions that provide the best value for their resources and needs by understanding the various elements of Managed Dental Plan choices and comparing the various features, including cost, coverage, design and operational policies. By examining these options according to the questions above, brokers and employers can have informed discussions and make confident decisions about what is best for the employer and their employees.
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“DHMO” is used to refer to product designs that may differ by state of residence of the enrollee, including but not limited to: “Specialized Health Care Service Plans” in California; “Prepaid Limited Health Service Organizations” as described in Chapter 636 of the Florida statutes in Florida; “Single Service Health Maintenance Organizations” in Texas; and “Dental Plan Organizations” as described in the Dental Plan Organization Act in New Jersey.