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Beneficial side effects overlooked Dental, vision plans aid in spotting illness

By JOANNE WOJCIK

The recent passage of legislation giving federal employees the opportunity to purchase dental and vision benefits on a voluntary basis demonstrates the often-overlooked value such benefits can play in the early detection of some serious diseases, such as diabetes, hypertension, cancer and osteoporosis, benefit experts say.

Because of surging medical benefit costs, though, many employers are cutting back on these other benefits, either reducing their contribution to the premiums or turning them into voluntary programs.

But when employees are required to pay 100% of the tab for dental and vision programs, participation rates fall, causing adverse selection. Only those employees most likely to use the benefits sign up for them, benefit consultants say.

In fact, adverse selection is occurring in some plans, which is leading to higher percentage-rate increases for dental and vision plans than for medical coverage, they say.

Beyond promoting good dental hygiene and helping to correct refractive errors, access to affordable dental and vision care can help uncover symptoms of more serious and costly medical problems, dental and vision care experts say.

While it has long been known that mouth cancer is often detected by dentists during routine oral exams, new research is finding that the dental office may hold even further potential for the early detection of and intervention for other diseases, such as hypertension, coronary artery disease and osteoporosis.

For example, a study published in the

Journal of the American Dental Assn. reported that X-ray technology used by dentists can detect arterial blockage in the neck that could lead to stroke. Two other studies recently reported in *General Dentistry*, the peer-reviewed journal of the Academy of General Dentistry, found that a connection exists between osteoporosis and periodontal disease, and that dentists may be able to detect Lyme disease in patients much earlier, which could make it easier to treat.

Likewise, regular eye exams may turn up early signs of diabetes, hypertension and multiple sclerosis.

Despite this potential for ensuring wellness among employees and their families, many employers have been cutting back on dental and vision benefits, benefit consultants say, which could prove to be disastrous in the long run if these diseases are left unchecked.

"Primarily because of the health care cost increases continuing for many, many years at double-digit rates, we are seeing more employers pull back from their subsidy if they've been offering one or moving to pure employee-pay-all plans," said Bill Sharon, a senior vp at Aon Consulting in Tampa, Fla.

"Health care costs have been rising so rapidly, it's forcing employers to make decisions about what they will pay for and what they won't," agreed Kirk Rothrock, president and chief executive officer of CompBenefits Corp. in Atlanta. CompBenefits provides dental and vision benefits to 17,000 employer groups, representing 4.5 million participants, primarily in Florida, Georgia, Illinois, Ohio and Texas.

According to statistics gathered by Mercer Human Resource Consulting, currently about 67% of employers overall and 96% of large

employers offer dental coverage to their employees, while 21% of employers overall and 58% of large employers offer vision benefits.

Of that group, 42% of all employers and 23% of large employers pay 100% of the premium for employees, while 5% of all employers and 15% of large employers also pay the full freight for dependent coverage.

When employers require employees to contribute to the cost of dental coverage, the employees pay, on average, about 30% at employers overall, and about 49% at large employers. Employee contributions for dependent coverage average about 26% for employers overall, and 43% for large employers, Mercer found. The firm did not have statistics on contributions for vision plans.

These figures are in stark contrast to a decade ago, when most employers paid 100% of the premiums for employee-only coverage in dental plans and about 50% for dependents, according to James Gimarelli, vp of dental marketing at Assurant Employee Benefits in Kansas City, Mo. Assurant offers group dental coverage on both an employer-subsidized basis—which Mr. Gimarelli refers to as a "true group" basis—and a voluntary basis to about 29,200 employers, representing about 2.7 million covered individuals nationwide.

"In a true group situation, contributions have been falling," he said. "I would say it's evolved over the last 10 or 15 years."

In addition, Mr. Gimarelli said, there has been a shift from employer-subsidized to voluntary plans, in which employees pay all of the cost. "I would say we're half and half, group vs. voluntary," he said.

A five-year study by the National Assn. of

Dental Plans found that the percentage of employer-sponsored dental plans offered on a voluntary basis has climbed to 28% from 14%.

While shifting to a voluntary format may reduce premiums for employers, it has had an adverse impact in other ways, benefit experts say.

For example, while typically 75% to 80% of an employee group will enroll in dental plans when they are offered on a subsidized basis, participation rates fall to 40% to 45% for voluntary plans, Mr. Gimarelli said.

And when employees are not covered by dental insurance, they are less likely to seek preventive care, he said, citing a report published in *Oral Health in America*.

"If you have dental insurance, there's a 70.4% chance that you're going to visit the dentist for preventive care, vs. 50.8% if you don't," Mr. Gimarelli said.

And because every dollar spent on preventive care services saves between \$8 and \$50 on restorative services, that could negatively affect overall plan costs, he said.

Moreover, because only those employees most likely to use the plans will likely enroll if the plans are offered on a voluntary basis, adverse selection may occur, further spiking plan costs, benefit experts say.

"On a voluntary basis, employees don't buy it if they don't plan to use it," said Mr. Sharon. "As a result, there is adverse selection. And that's built into the cost of voluntary benefits."

"We've called these 'utilization benefits,' as opposed to insurance benefits," said Mr. Rothrock. "You think of life insurance, and that's for a catastrophic event. If you get to the end of the year and you haven't used your medical benefits, you're happy. But you want

to use dental and vision benefits."

In fact, "some voluntary carriers that are not managing the anti-selection risk are experiencing 20% to 30% rate increases," according to Mr. Gimarelli.

Chicago-based clothing manufacturer Hartmarx Corp.'s dental plan rates rose 12% in 2003, 9% in 2004 and may increase another 10% in 2005, said Mike Pikelny, employee benefits manager. This compares with medical plan rate increases of 8% in 2003 and 3% in 2004. He said he has not yet calculated the 2005 medical plan rate hike.

To reduce the cost of its dental plan, Hartmarx is adding a preferred provider organization feature, which will encourage employees to use lower-cost providers by reducing their copayments, Mr. Pikelny said.

Hartmarx also combats the potential for adverse selection by tying the dental plan to its medical plan, so "you can't get medical without dental, and you can't get dental without medical," he said.

"We purposely didn't want to separate dental to prevent people from signing up only when they needed it," Mr. Pikelny said.

Hartmarx does not offer a vision plan, instead offering employees a discount card provided by Twinsburg, Ohio-based Cole Vision Corp.

Denver Water also experienced a sizable increase in the cost of its dental plan last year, forcing it to require employees to contribute to the cost for the first time in 2005, according to Jim Crockett, the utility's risk and benefits manager. In addition, Denver Water is projecting a 7% to 8% increase in claims for 2005, he said.

"There previously was no cost for single cov-

erage," he said. "But we now require a contribution" for both its indemnity and preferred provider plan.

The contributions for indemnity coverage now amount to \$10 per employee per month, \$20 per employee plus one per month, and \$30 per employee plus family per month. Contributions for the PPO plan are \$5, \$10 and \$20, respectively.

Despite the contribution requirement, participation is high in Denver Water's dental program—about 98% for 2005, according to Mr. Crockett.

By contrast, only 60% of Denver Water employees enroll in the vision plan, where premiums were actually reduced because claims weren't as high as expected, he said.

But under Denver Water's wellness benefits, employees are entitled to a free eye exam every three years if they are under the age of 40, every two years for those between the ages of 40 and 50, and annually for those over 50, Mr. Crockett said.

Employees without vision coverage, though, must pay for their own corrective lenses, if needed, he said.

"Sometimes health plans provide vision coverage," said Mr. Rothrock. "As medical insurers have tried to differentiate themselves, they've added benefits."

But it is rare for medical plans to include dental care services, he said.

It's ironic that, "in some areas of health care we're looking at things more holistically, but we're still treating dental and vision as separate products," said Mr. Sharon. "It's unfortunate, because we're learning there are connections between dental health and vision health and medical health."