

Fine Tuning Dental Benefits for Greater Savings

Larger beverage distribution firm located in Harrisburg, PA with 183 employees in three locations.

Key Challenges

Prior to a 6 month employee benefit review meeting for this company two years ago, our team performed an analysis of the group's claim utilization patterns to determine why they were being hit with sharp dental premium increases year after year. The analysis results showed a low utilization in routine, preventive benefits and an unusually heavy utilization in the plan's major services. Our team determined that this certainly could be a factor in the premium increases, focusing next on possible solutions.

MBA Solution Presented

Developing a strategy targeting ways to increase utilization of preventive services, we suggested removing the current deductible for preventive care and raising the annual maximum for covered services. We requested the dental carrier to reach out to a few of the more commonly used non-network dentists being utilized by employees to see if they could be persuaded to join the network. We designed a significant employee marketing campaign, educating them on the modified benefits and the advantages of good oral hygiene.

Measureable Results

The elimination of cost-sharing for preventive care services was successful in incentivizing employees to get regular dental care, reducing the frequency and severity of major and restorative treatment for employees and their families. Even though the usage of preventive services has risen, the extra costs for those services have been greatly overshadowed by the savings coming from a reduction in the higher priced major service work.

In contrast to their typical double digit rise in dental premiums, the group's renewal came in without any increase the year following implementation of our strategy, reflecting a \$38,000 savings for this group!