Dental Insurance Plans 2012

Dental insurance covers the cost of care for teeth and gums associated with dental care from dentists, orthodontists, periodontists, and oral surgeons. It is a widely held benefit due to the importance of preventative dental care to sound oral hygiene. Employer-based dental insurance plans are provided not only to cover the costs associated with dental care, but to encourage the regular use of preventative care. A wide variety of studies have documented the strong link between oral and overall medical health.

Dental benefits are provided by fee-for-service, preferred provider organization (PPO) and health maintenance organization (HMO) arrangements. Thus, payments to dental providers are provided on an indemnity or preferred provider basis. In the former, patients send their expenses to an administrator who reimburses the patient according to the benefit plan; in the latter, dental professionals are paid directly by the insurer through an established reimbursement level.³

Dental services can be distributed into ten categories: diagnostic, preventative, restorative (e.g., fillings), endodontics (e.g., root canals), periodontics (e.g., root planning), prosthodontics (e.g., crowns, bridges), orthodontics, pedodontics (i.e., dental treatments for children), and implantology (e.g., overdentures). These services can be covered by an insurance plan on a scheduled or nonscheduled basis.

Dental plans having a scheduled benefit basis are associated with a list of fixed allowances by dental procedure. Such plans rarely utilize coinsurance provisions, but may include a small deductible. Typically, preventive and diagnostic procedures are covered on a scheduled basis.

Dental plans having a non-scheduled benefit basis are designed to cover dental expenses by paying the customary and reasonable charge per dental procedure. These types of plans are associated with the preferred provider arrangement, and tend to be typical in Ohio school district and educational service center plans. Due to the nature of these plans, dental service reimbursements to providers are uniform and adjust for inflation and dental practice variations.⁴ An example of such plans can be found in Table 1.

¹ Employee Benefit Research Institute (1997). *Fundamentals of employee benefit* programs (5th Ed.). Washington, D.C.: Author.

² U.S. Department of Health and Human Services (2000). *Oral Health in America: A Report of the Surgeon General*. Rockville, MD: U.S. Department of Health and Human Services, National Institute of Dental and Craniofacial Research, National Institutes of Health.

³ Huling, R.L. (2005). *Dental plan design*. In Rosenbloom, J.S. The handbook of employee benefits: Design, funding and administration (6th Ed.). New York, NY: McGraw-Hill.

⁴ Ibid.

Table 1: Sample summary of dental plan benefits

Benefits	Plan Payment
Class 1	100%
Diagnostic and preventative services Emergency palliative treatment Radiographs Sealants	
Class 2	80%
Oral surgery services Endodontic services Periodontic services Relines and repairs Minor restorative services	
Class 3	60%
Major restorative services Prosthodontic services	
Class 4	60%
Orthodontic services	

According to the State Employment Relations Board's 2012 Health Insurance Survey, on January 1, 2012, 98 percent of school districts and educational service centers offered dental insurance coverage. Of those districts that were able to separate the dental premium from their other health benefits, the median total monthly premium or funding level paid was \$31 per single and \$85 per family contract, while the median employee contributions were \$2 for single and \$7 for family contracts. Among question respondents, 67 percent of the dental plans in this market were self-insured. Medical Mutual of Ohio was identified as the most common plan administrator (29%), followed by Delta Dental (14%) and Coresource (12%).

To provide context for the costs of these plans, additional questions were placed in the survey instrument to identify coinsurance and deductible levels in-network. In-network, Class 1 benefits such as diagnostic and preventive care were covered at 100 percent (n = 632). Class 2 benefits such as oral surgery services were covered at 80 percent (n = 624). Class 3 services such as major restorative services and Class 4 services for orthodontic care were both covered at 60 percent (n = 627 and 608, respectively). Median in-network deductible levels were \$25 for single (n = 585) and \$50 for family (n = 577) coverage. The median annual maximum benefit per covered person was \$1,500, while the median lifetime maximum benefit for orthodontia (for both children and adults) was \$1,000.

Questions and comments regarding this report should be directed to OEA Research.

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