

How to implement a dental insurance plan

Part of the REBA technical training series



In association with



Simplyhealth

Editor's comment



REBA's 2016 Benefits Shift Survey revealed that dental insurance is the most popular flexible benefits choice among employees.

While this may seem surprising, unlike a number of other benefits, such as life insurance or private medical cover, dental insurance is one that every member of staff can take advantage of. With the NHS recommending that everyone has regular check-ups, the only difference will be how often they use it.

An insurance plan can help employees with the cost of their dental care, whether they need routine or emergency treatment. They can access a scheme's benefits in a number of ways, including through private medical insurance, as part of a health cash plan or a flexible benefits package. The level of cover can also vary.

As an employer, providing a plan, particularly as part of a wider health and wellbeing offering, can reduce sickness absence due to dental and related health issues. It also shows employees you care. This can be a great way of boosting loyalty and, in turn, productivity, among your workforce. And implementing and administering a plan is relatively painless too.

So once you've made the decision to implement a plan, what do you do next? Read on to find out.

Kavitha Sivasubramaniam

Editor

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Sponsor's comment



Humans break. Working from 9am to 5pm has become 24/7, working anywhere has become working everywhere and technology is still accelerating. Work pressures make people ill, and, even for caring employers, illness isn't good for business.

Maintaining a healthy, productive workforce therefore requires business planning. This means not just insurance or an optional employee benefits plan – proactively supporting employee wellbeing everyday has become a business necessity.

Companies need their talent well so that they can perform. At Simplyhealth, we help companies, and their talent, to perform well.

It's no secret that the key to having a fit, happy and healthy workforce is through everyday support of our employees' everyday physical and wellbeing needs.

A dental plan is one of the top ways you can positively and proactively support the health and wellbeing of your employees.

In fact, our research for the Health and Wellbeing Benefits Guide 2017 found that 82% of employers that offer a dental plan as a workplace benefit believe it enhances their employees' overall wellbeing.

A dental plan, such as Denplan from Simplyhealth, is seen by employers and employees alike as an everyday, tangible benefit with advantages ranging from reduced sickness absence to happier colleagues with healthier smiles.

Unlike most other forms of healthcare, your employees are expected to visit their dentist for regular check-ups, even if they don't have any visible or painful dental issues.

Dentists are experts in oral healthcare, and they're often best placed to advise your employees on how to care for their teeth and gums at home, as well as how their lifestyle can affect their oral health.

This is because our teeth provide a window to our overall health.

Dentists are able to spot problems such as such as cardiovascular problems, lung disease, diabetes and even bowel cancer. And all we have to do to be proactive with these health risks is regularly visit our dentist.

By repaying the costs of employees' everyday dental appointments and treatment, your staff are more likely to take better care of themselves amid the increasing pressures of everyday work.

And if your people continue to perform well physically, mentally and financially, so does your business.

Pam Whelan

Director of Corporate at Simplyhealth



Reasons to offer a dental insurance plan

What is a dental insurance plan?

Whether you've got a Hollywood smile or teeth that show the signs of a sugar or black coffee habit, everyone needs to see a dentist on a regular basis. But with the cost of an appointment and any treatment rising, offering employees a dental insurance plan can be a smart move.

These plans help employees with the cost of dental treatment, with a range of different cover levels available. At the most basic level, a plan could pick up the cost of emergency treatment worldwide while, at the other end of the scale, you could provide cover that takes care of any dental treatment your employees need, whether that is done privately or through the NHS.

Why provide a dental insurance plan?

There are plenty of reasons why dental insurance may be worth considering.

Firstly, and rather strangely, while many employees don't really like seeing a dentist, they absolutely love dental plans. According to REBA's 2016 Benefits Shift Survey, dental insurance is employees' most popular flexible benefits choice. This popularity is down to the fact it can help with the cost of treatment, taking at least some of the financial pain out of an appointment with the dentist.

NHS charges vary depending on the treatment received, from £20.60 for a check-up, through to £244.30 if more extensive treatment such as a crown or bridge is required. Go private and these figures can be two, three, or even four times higher.

The other plus side for employees is that, unlike benefits such as life insurance and even private medical insurance, they will actually get to use their dental plan. How often they use it will vary, with the NHS recommending a check-up anything from every three months to every two years, depending on the individual's oral health.

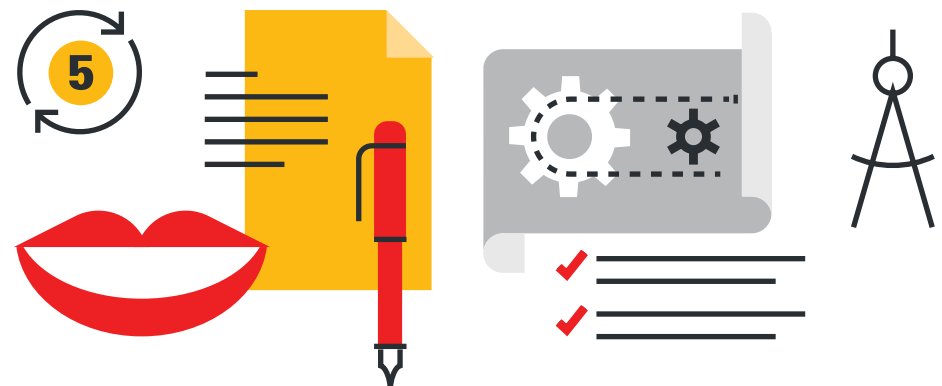
You will also benefit from providing dental insurance. As well as being appreciated for providing this financial assistance, which can help to drive up employee engagement, plans are easy to implement and administer.

Regular dental check-ups can also help to reduce sickness absence. Left untreated, dental problems only get worse, potentially leading to toothache and time off. Similarly, as well as looking for signs of decay, a dentist can spot the early signs of more serious conditions such as diabetes and mouth cancer.

And, with links between oral health and conditions such as heart disease and diabetes, enabling your employees to see a dentist regularly could bring health benefits that will make you all smile.

Top 5 reasons to introduce a dental insurance plan

1. It is a highly appreciated benefit, supporting engagement, recruitment and retention.
2. Every employee is able to claim at least once every two years, if not more often.
3. It can reduce sickness absence caused by toothache and associated problems.
4. A regular dental check-up can identify serious health problems early.
5. Dental plans are easy to implement and administer.



How to buy

Assess the needs of your workforce

As everyone needs to see the dentist at least once every two years, dental insurance is a benefit that all of your employees should be able to use. But splashing out on the most comprehensive plan might not be the best way to get maximum appreciation.

Gaining employee feedback is a good starting point, especially as they can have very different levels of oral health. While those who have the sort of teeth that require hundreds of pounds of treatment from a private dentist will really appreciate a comprehensive scheme, those who only need an NHS check-up once every two years won't get anything like the same value from a plan.

It's also worth noting that dental insurance isn't the only way you can provide your employees with help towards the cost of looking after their teeth. Some private medical insurers offer dental cover as an optional extra on their plans or you could offer a health cash plan, which includes a wide range of other everyday health benefits such as optical and physiotherapy alongside dental.

Similarly, if you want to add dental insurance, make sure there's no duplication if you already offer these benefits. Even an employee with terrible teeth might struggle to use all the benefit.

In a nutshell

- Dental insurance is a benefit that all of your employees should be able to use. Gaining employee feedback is a good starting point.
- If you want to add dental insurance, make sure there's no duplication if you already offer these benefits.

Conduct a market review

Once you know your dental benefit will put a smile on employees' faces, it's time to conduct a market review. Thankfully, there aren't too many providers in the market, so comparing what's available won't be too much of a chore.

First think about whether you want to offer a traditional dental insurance plan, or help your employees with some dental benefit through a medical insurance or health cash plan. Your decision might be influenced by your budget, the range of health benefits you want to offer, or, in the case of medical insurance, whether you already offer it and can simply tag on the dental option.

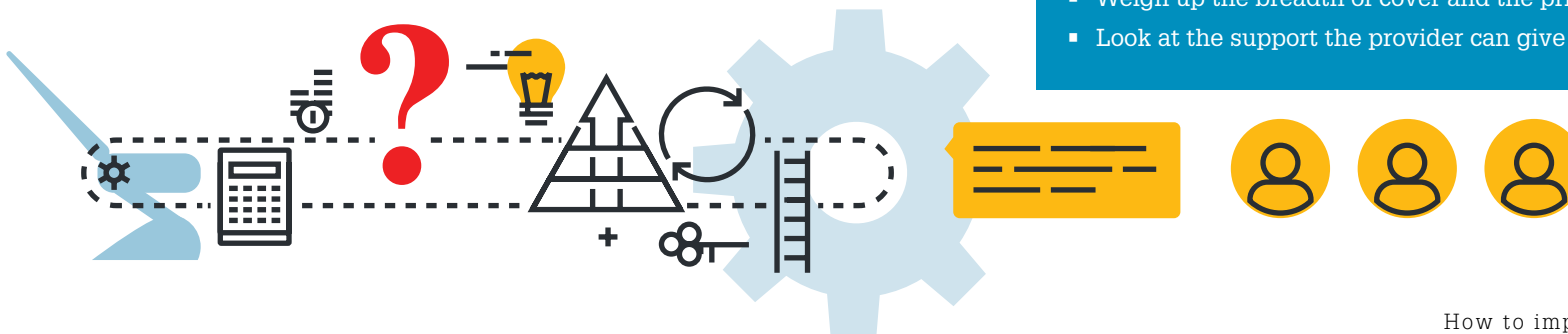
Whatever your choice, weigh up the breadth of cover and the price for each option. To bring this exercise alive, think about what a couple of imaginary employees might be able to claim, one with good teeth and an NHS dentist and another requiring more extensive private dental work.

Service levels are also important, especially as employees will definitely be using the product. Slick online claims processes are now commonplace so compare what's available and how simple these are to use.

Finally look at the support the provider can give you. Many will help with marketing and awareness campaigns to help drive up employee engagement with the plan.

In a nutshell

- Think about whether you want to offer a traditional dental insurance plan, or help your employees with some dental benefit through a medical insurance or health cash plan.
- Weigh up the breadth of cover and the price for each option.
- Look at the support the provider can give you.



How to buy

Establish budget/costs

Dental insurance plans often have five or six levels of cover so there's plenty of flexibility around the cost of providing this benefit. However, while it may be tempting to plump for the cheapest option, bear in mind this can restrict how much an employee can claim and therefore how much they will value it.

For instance, some of the cheaper plans only cover dental injury and emergency treatment. This is great for picking up some hefty bills if they are involved in an accident, but they won't get any financial help towards their regular check-ups or any treatment they need.

You can also flex your budget by adjusting the way dental insurance is funded. Rather than taking the most expensive option and footing the bill yourself, you may be able to offer it as an option on your flexible benefits scheme. It's also possible to provide it as a voluntary benefit, either with the employee paying directly or with premiums deducted directly from their salary.

Additionally, you could offer different levels of cover across your company, for example, company-paid cover for your senior management and a flexible benefit option for the rest of your staff.

In a nutshell

- Dental insurance plans often have five or six levels of cover so there's plenty of flexibility around the cost.
- You can flex your budget by adjusting the way dental insurance is funded.
- You could offer different levels of cover across your company.

Consider whether to use an intermediary or DIY

Another important consideration is whether to source your dental insurance yourself or use a broker to do this on your behalf.

Using a third party can certainly take much of the hassle out of the process. They will be able to determine which type of product, funding method and level of benefit is most suitable for your organisation and recommend the best value plan. They can also advise on how to implement it and market it to employees.

An intermediary's knowledge of the market will also mean they have insight into whether a provider's service is up to scratch and if any new products have entered the market that might be more suitable.

If you don't already have a relationship with one you may want to arrange your dental insurance yourself. Thankfully, because the market isn't huge, conducting your own beauty parade isn't too taxing. On top of this, the insurers can provide plenty of support to set up your scheme and ensure it runs smoothly.

In a nutshell

- An intermediary will be able to determine which type of product, funding method and level of benefit is most suitable for your organisation.
- They can advise on how to implement it and market it to employees.
- Insurers can provide plenty of support to set up your scheme and ensure it runs smoothly.

Checklist of dos and don'ts

- ✓ Survey employees to determine appetite for a dental plan.
- ✗ Think only about dental insurance – cover is also available through health cash plans and private medical insurance.
- ✓ Assess the value of plans by considering how much typical employees could claim each year.
- ✓ Weigh up the service the provider offers, both in terms of the employee claims process and also the implementation and marketing support they can offer you.
- ✓ Think how you want to fund the benefit – providers offer company-paid, flexible benefits and as a voluntary benefit, with the employee paying directly or by salary deduction.
- ✗ Think that one size fits all. Providers can offer different levels of cover across your workforce.
- ✗ Be put off arranging a dental insurance plan yourself. It's a small market and the insurers can provide plenty of support.



What the product offers

Just as the dental aisle at your local chemist is full of different toothpastes, brushes and flossing implements, there's plenty of choice when it comes to dental insurance.

All plans allow you to see any dentist you like, private or NHS, with the amount you can claim dependent on the cover level. At the most basic level, a plan will cover dental injury and emergency treatment worldwide.

Moving up the scale, the next tier also provides 100% reimbursement for NHS treatment. This can be used by employees with private dentists but they will only be able to claim back the equivalent NHS rate. More generous cover levels are also available, providing enough benefit to cover private dentists.

Co-insurance is common, especially for restorative work. With this the insurer picks up a percentage of the bill – typically 75% or 80% – up to the annual limit. Alternatively some plans offer a menu of benefits, listing every treatment and the amount an employee can claim.

Cover for oral cancer is automatically included on most plans too. This provides a lump sum, typically between £15,000 and £20,000, if an employee is diagnosed with this form of cancer.

It's also important to note that plans don't cover cosmetic treatments such as tooth whitening and veneers, unless clinically necessary. However, insurers are well aware that these procedures are increasingly popular and have negotiated discounts through selected dentists.

Top 5 benefits of dental insurance plans

1. Preventative treatment, such as check-ups, x-rays and scale and polish.
2. Restorative treatment, including fillings, crowns and implants.
3. Dental emergencies and injuries.
4. Oral cancer cover.
5. Discounts on cosmetic treatments.

Costs

Given how popular dental insurance plans are among employees and the certainty of claims, they are a relatively low-cost benefit to introduce to your workforce. How much you will pay depends on a number of factors including the level of cover, how many employees you are covering and the way the plan is funded.

At the cheaper end of the spectrum, a plan providing cover for dental injury and emergency can cost less than £1 a week if you pay for it and you have got more than 50 employees. Add in some basic cover, giving employees reimbursement at NHS levels, and your premiums will double to around £2 a week. Premiums will rise steadily as cover gets more generous, with the most comprehensive plans costing £6 a week or more.

You'll pay slightly more if you are covering fewer employees, or you are offering it as a flexible or voluntary benefit. You may also find there's a requirement for a minimum number of employees if you are going for one of these funding options.

Plans can also be extended to partners, children and other relatives, including parents. Adding another adult will roughly double the rate, while adding children will increase it by around 50%.



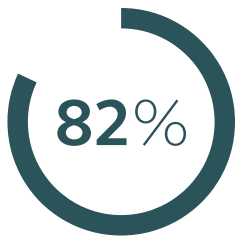
Supporting your employees' everyday health



Denplan dental plans from Simplyhealth

Our preventative approach to oral health means your employees are less likely to spend time off work with unexpected dental problems.

And a healthy team is a productive team, helping them to consistently perform at their best.



82% of employers who offer a dental plan as an employee benefit believe it enhances their employees' overall wellbeing*



Give us a call to find out more on **0300 100 1190**
or visit **denplan.co.uk/companies**

*Source: Simplyhealth Corporate Decision Makers Survey 2017, 199 respondents

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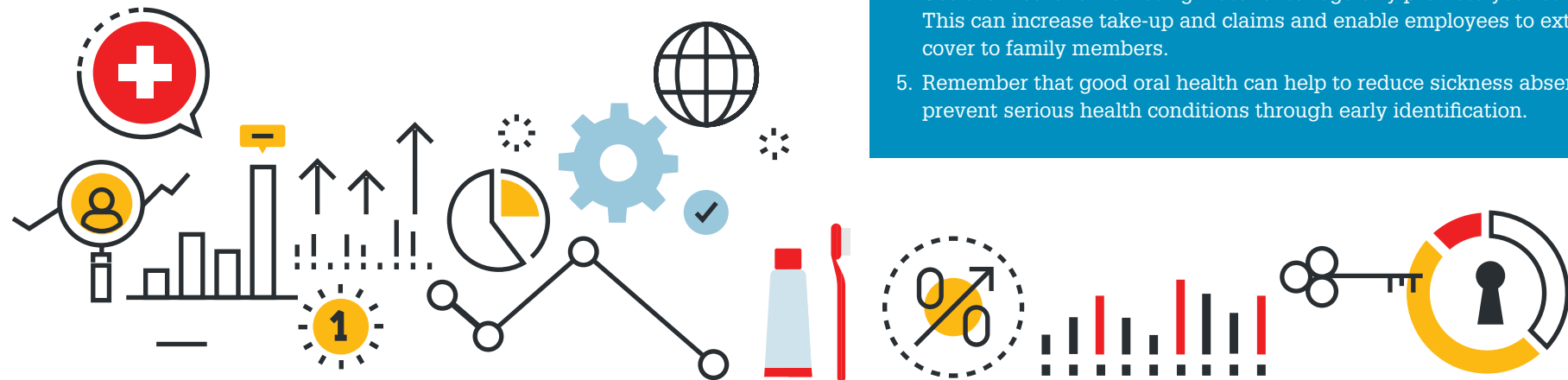
Your calls may be recorded and monitored for training and quality assurance purposes.

Tax and legal issues

There are very few tax and legal issues to worry about when implementing dental insurance.

Premiums are subject to insurance premium tax (IPT) at 12%. With this it's worth noting that this tax has seen a series of increases over the last few years, doubling since it was just 6% before November 2015. Many expect further IPT increases, although on a low dental insurance premium the effect of this should be relatively meagre.

The other tax issue is that if you are paying the premium, it will be treated as a benefit in kind and subject to tax and National Insurance. Again though, the relatively low cost of cover should help to keep the sting out of this.



Top 5 tips to make your plan a success

1. Survey employees to find out whether a dental plan would suit their needs.
2. Consider health cash plans and private medical insurance options, as well as standalone dental insurance.
3. Gauge the value of a plan by number-crunching the potential claims for hypothetical employees with different oral health and access to private and NHS dentists.
4. Use the insurer's marketing material to regularly promote your scheme. This can increase take-up and claims and enable employees to extend cover to family members.
5. Remember that good oral health can help to reduce sickness absence and prevent serious health conditions through early identification.

Where to find suppliers

For more information about dental insurance providers, check out REBA's supplier directory. This contains details of the leading providers, including contact information and links to their websites.



Quiz

1. Employees can get money back for dental treatment on which of the following?

- A Dental insurance plan
 - B Health cash plan
 - C Private medical insurance
 - D All of these
-

2. Which of these CANNOT be covered on a dental plan?

- A Hygienist appointment
 - B Teeth whitening
 - C Filling
 - D X-rays
-

3. Dental insurance premiums start from as little as

- A £1 a week
 - B £2 a week
 - C £5 a week
 - D £10 a week
-

4. NHS recommendations state that dentists can advise adult patients to have a check-up every

- A Six months
- B Three to six months
- C Year
- D Three months to two years

5. An NHS dental examination for an adult costs

- A Nothing, it's free
 - B £56.30
 - C £20.60
 - D £244.30
-

6. A basic dental insurance plan offering 100% reimbursement for NHS treatment can be used for

- A NHS treatment only
 - B NHS or private treatment
 - C Private treatment that costs less than £244.30
 - D Private treatment providing the dentist also has NHS patients
-

7. An employee can claim on a dental insurance scheme if they

- A See a dentist within the insurer's network
 - B A dentist within a 10-mile radius of the workplace
 - C An NHS dentist
 - D Any dentist
-

8. Which funding method results in the lowest dental insurance premiums?

- A Company-paid
- B Flexible benefits
- C Voluntary – employee-paid
- D Voluntary – salary deduction

9. If an employee is diagnosed with oral cancer, most dental insurance plans will

- A Fund any treatment
 - B Provide a lump-sum payment
 - C Offer a discount on any further dental treatment
 - D Give a year's free cover
-

10. Which of these factors does not affect the pricing on a dental insurance scheme?

- A Level of cover selected
- B Number of employees
- C Age of employees
- D Funding method

Quiz: The answers
1. D, 2. B, 3. A, 4. D, 5. C, 6. B, 7. D, 8. A, 9. B, 10. C

Who we are

About our sponsor: Simplyhealth

Simplyhealth has been providing cost-effective, accessible, manageable health cash plans for more than 100 years.

Our market-leading products help businesses demonstrate real commitment to the maintenance of their employees' health, wellbeing and everyday performance.

We help companies, and their talent, perform well. In an age of technology, it's still people who create business advantage.

Supporting everyday health:

Simplyhealth's health cash plans (including Denplan) enable businesses to look after their employees, and make it easy for people to maintain their health and wellbeing, so they can look after business.

Contact Simplyhealth:

For more information about how Simplyhealth can help your business perform well, contact the corporate team: team@simplyhealth.co.uk or 0300 100 1190

Website: www.simplyhealth.co.uk/businesses



About us: Reward & Employee Benefits Association

REBA is the professional networking community for reward and benefits practitioners. We make members' working lives easier by saving you time, money and effort through sharing experience, ideas, data and insight with each other. We help members to pursue best practice, increase professionalism in the industry and prepare for upcoming changes. REBA lobbies government on members' behalf.

What REBA does:

- Runs regular conferences and networking events
- Produces benchmarking research, insight & data reports and analysis
- Curates the information you need to know, both online and in our weekly email
- Helps with supplier shortlisting and research

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