

Dental benefits

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Two rows of shiny(ish) white(ish) enamel that make up significantly less than 1% of our bodies. Yet, they're an essential part of our health make-up and even influence apparently non-related areas such as heart disease.

And in the past few decades we have gone from largely ignoring our teeth until they give us problems (usually in the very unpleasant form of toothache) to embracing both good maintenance and repair but also looking to improve what we have. So, in have come teeth whitening, enamel rather than silver fillings, crowns, bridges and implants and a whole lot in between.

No surprise then that on the back of this expansion in interest in our teeth we are also interested in how best to manage the costs that can be involved.

Let's start though by looking at private dentistry's big rival – the NHS. In fact rival is the wrong word – the two co-exist in a way that the rest of the health provider network still finds puzzling (your NHS dentist is happy to switch between private and NHS even within a single patient visit for example).

It's not a perfect match though. In June, Which? published its finding that almost a third of dentists listed as accepting new NHS patients by NHS Choices are not in fact doing so. Moreover, 29% could not offer an appointment within two weeks, with one practice quoting an almost incredible 8-9 month waiting period.

Earlier, Which? had called on the Competition and Markets Authority to ensure dentists comply with existing rules and launched its 'Clean Up Dental Costs' campaign in January 2015. All of this is a backdrop to dentistry being a key spend for many people, who could perhaps benefit from the expertise and buying power insurers can bring. Moreover, costs typically rise faster than inflation, with more treatments coming along to improve not just dental health but dental appearance too.

How does Ruth Chesmore, director, Bupa Dental Services, at Bupa Health Clinics see the dental sector developing:

“The dental sector has evolved greatly over the past year alone. Not only do consumers have greater expectations and demands around when and where they are treated, which has seen the profession becoming a lot more focused on providing appointments at times that work around busy schedules and facilities for booking these appointments online, but consumers also have wider access to information and choice about the different dental treatments available, and this is only going to increase as new procedures are developed.

As our consumers become better informed, we have found that they increasingly want services that aren't available on the NHS. This opens a much wider role for private dentistry to complement the services provided by the NHS, by offering patients a wider range of choice.”

Henry Clover is deputy chief dental officer at market leader Denplan (part of the Simplyhealth group):

“The split between patients choosing NHS or private has largely remained the same over the past five years. With increasing pressures on the NHS system, it remains important that patients have a range of options to choose from in finding the right dentist for their needs, as well as paying for their dental care.

It’s often thought that cost is a leading factor in how people choose their dentist, however the latest research has highlighted this may not be the case. In a recent YouGov survey conducted on behalf of Denplan, ‘value for money’ was found to be one of the lesser important factors when people choose their dentist. Only 79% of UK adults who visit the dentist regularly (at least once every two years) said this was an important factor. This was far behind other factors such as: ‘trust’ (96%); ‘confidence that the surgery is sterile and hygienic’ (95%); ‘clear explanation of treatments and procedures’ (93%); and ‘good customer service’ (91%).*

Rates of satisfaction seem to vary slightly among NHS and private patients too, highlighting again the need for choice. Satisfaction with the dental care and treatment they currently receive is generally higher among patients on a dental payment plan:

- *84% of non-exempt NHS patients who regularly visit the dentist (at least one every two years) said they were satisfied with the dental care and treatment they currently receive.*
- *87% of private patients who pay per item and regularly visit the dentist said they were satisfied with the dental care and treatment they currently receive.*
- *91% of patients on a dental payment plan (e.g. Denplan) who regularly visit the dentist said they were satisfied with the dental care and treatment they currently receive.”*

**Survey conducted by YouGov Plc on behalf of Denplan. Total sample size was 5,823 adults, of which 4,508 attend the dentist ‘regularly’ i.e. at least once every two years. Fieldwork was undertaken between 4 - 9 February 2015. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).*

Until just a few years ago (remember 2008?) the dental benefits space looked to be on a path of sustained growth, with strong growth in the insurance sector and significant M&A activity among dental practices too. I asked Kirsty Jagielko, head of insight and product at Cigna, for her perspective on how far the dental sector had now recovered from the post 2007 economic woes:

“The demand for dental insurance was not affected by the recession in the same way as PMI. We’ve seen really positive signs of growth within the dental market. There’s been a 51% increase in the number of people covered by a corporate dental insurance plan between 2007 and 2013¹.

Dental insurance can be affordable and easy to implement for employers. It’s also a valued benefit for their employees, which is a possible explanation for the growth in the corporate market. The number of private dentists has also grown dramatically in recent years. This is no doubt due to the increased interest in cosmetic dentistry work that’s not available on the NHS².

UK consumers are also becoming increasingly aware of the different options available to them to maintain or enhance their oral health. As a result, we expect the strong growth we've seen over the last few years to continue.

¹*Laing & Buisson Health Cover UK Market Report 2014*

²*Laing & Buisson, Health Cover UK Market report, 2013."*

That's a very positive result that will surprise many and Henry Clover also reported things weren't as bad as perhaps some had thought:

*"Research** has shown that the dental sector has actually remained quite stable, despite the recession. The value of the NHS and dental payment plan markets have largely stayed the same, with only the private self-pay market dropping in value very slightly (which has now recovered)."*

***Laing & Buisson 2014 Dentistry Report.*

But are economic woes affecting new business or renewals? To find out I asked both Ruth Chesmore and Patrick Watt (corporate director at Bupa) for their observations. First, Ruth:

"We know that for individual consumers, cost remains a key consideration. We believe that there is a demand for dental practices in convenient locations, close to where people work, offering affordable, high-quality, private dentistry with appointment times to fit around work, which is why we're expanding our dental services. However, it's important that as providers we can continue to demonstrate the value of going down the private route to the customer and provide a range of funding choices – whether through funding products which allow them to spread the cost of everyday dental treatments, or 0% finance arrangements for higher cost treatments."

While Patrick's view was:

"We've found that there is a consistent demand for dental insurance products. Last year we grew our B2B dental book and this year we expect a further 10% growth. Employers have a clear role to play in supporting the health and wellbeing of their employees, and our recent research found that dental insurance and treatment is now one of the top health and wellbeing benefits demanded by UK employees."

As with all types of health plan though, cost is a major factor. So I wanted to explore both the recent rush towards dental networks (mirroring to some extent what we had seen in private medical insurance in recent years) and to ask how far insurance type products should go in an area where a lot of treatment is now cosmetic and therefore medically unnecessary. First, I asked Kirsty Jagielko for her views on networks:

"Given that affordability and accessibility are priority issues for both consumers and employers, dental networks are here to stay.

Dental networks provide a means for the insurance provider to negotiate treatment charges with in-network dentists. This introduces an element of cost containment for dentist charges and helps consumers access more affordable private dentistry. It's also of benefit to employers who fund dental plans for their employees, as claims costs can be better controlled. And dentists can be recruited into the network based on location.

Although the appetite for dental networks is clear amongst providers, the size of the provider - in terms of number of dental plan members they have - is important to dentists. They are more likely to sign up to a network if they believe it will increase patient numbers significantly. And the more widespread the network of dentists, the more appealing the concept is to both consumers and employers. It is possible that smaller providers will enter this area; however, over the last few years we've seen very little evidence of this."

And what were Patrick Watt's views over at Bupa?:

"We know how important it is for businesses to offer their employees access to high quality healthcare, including good value dental care, provided by dentists they can trust. That's why we've established our new dental network – to give employers confidence that the dental care that their employees receive is high quality and trusted by us. Our new Bupa Dental Plus Network is formed of our own dental centres, along with an ever-growing network of partner dental centres."

And can customers expect to get any help from their insurer or plan provider when it comes to uninsurable events such as choosing to have treatments such as dental implants (@ £2K+ per tooth very often)?

Henry Clover makes the point that dental healthcare is not a commoditised product, and I got the impression from all our correspondents that insurers are wary of appearing to be all things to all people or of perhaps taking on a layer of expensive admin if they are too helpful in 'non-insurance' areas:

"From Denplan's perspective, our dental payment plans are centred on prevention and helping patients to keep their teeth and gums healthy for life. By budgeting for their dental care with a fixed monthly fee, patients can benefit from regular dental check-ups, hygienist visits, and oral health advice to help stop dental problems before they start. Cosmetic treatment, such as teeth whitening, are not included as part of our dental plans as they don't fit into our model of 'prevention'. However, some Denplan dentists may offer their Denplan patients a discount on such treatments at their discretion.

As they are a specialist treatment, dental implants are not included in Denplan payment plans, but we do offer Implant Upgrade Cover as an additional product. We recognise that, in many situations, dental implants can offer a superior long-term solution to tooth loss, which is why we developed this additional product. Implant Upgrade Cover offers payment towards dental implants in the event of a dental injury (an external blow to the mouth) should your dentist feel a dental implant is the most appropriate clinical treatment option for you.

In general, it's important that patients make informed choices about their dental treatment. Oral healthcare is not commoditised product; rather it's a professional relationship where the patient is an active participant rather than a passive recipient."

Ruth Chesmore sees some opportunities rather than an all-embracing service too:

"We believe it's important to give customers' access to affordable treatment. There is more and more competition across the sector, as patients are willing to shop around and find dental care that not only meets their lifestyle, but also that they can fund in a way that suits them. As well as our range of dental insurance products, we also have a range of self-pay

financing options, and our Bupa on Demand offering allows people who do not have Bupa health insurance to pay a one-off, fixed price for a range of treatments.”

If I may be allowed a personal observation, I think customers will increasingly expect (demand?) to see their health insurer as a partner rather than a supplier. In dentistry, that will mean the provider will use its scale and buying power a) to help ensure customers don't get ripped off and b) to secure greater benefits, among which discounted prices will be a key one. It's a tricky path though – it would cost an insurer money to offer such services, and that has to be balanced against the potential upside. One additional potential downside is that the provider will not want to get involved if there is a dispute e.g. if the treatment turns out not to work as well as the customer had hoped.

Taking a non-insurance example, most airlines carry goods onboard they hope to sell to customers, despite the fact that the extra weight translates to a direct additional cost especially in terms of fuel used by having to carry the extra weight. They do so because their customers like it and because they can increase their profits overall by doing so.

There are other issues it's worth exploring in this market too, so I asked Kirsty Jagielko for her thoughts on what are the issues and trends that the industry is grappling with just now:

“Dental cover is now a popular benefit and increasingly employers want to include dental as part of their employee benefits packages. Our focus is turning to advancing technology as the digital demand continues to rise.

There's also an increasing trend for flexible and voluntary benefits as employers continue to look for ways to attract and retain key talent. Dental insurance is the second most commonly offered benefits in flex plans – offered by more than 8 in 10 of survey respondents who offer flexible benefits¹.”

¹ EB mag Flexible Benefits Research 2014.

Henry Clover commented:

“In the corporate sector, companies are increasingly recognising the positives of offering dental benefits to employees as a tangible benefit that employees really value.

And while Denplan remains the UK's leading dental payment plan specialist, more and more dental payment plan providers are coming to the market, with patients increasingly recognising this option as a way to spread the cost of their private dental care.”

Finally, where did Denplan and Cigna see the market going in the next five years? Both were pretty optimistic. First, Kirsty Jagielko:

“The dental market will continue to grow over the next five years. This growth will largely come from organic market growth as well as diversification, as providers move into new and uninsured markets. The increased demand for cosmetic dentistry may also impact growth¹.

At Cigna, we recognise our dental plan designs need to evolve in line with customer needs and that's why we've recently introduced new benefits on group dental plans, including implant and orthodontic cover. Our focus is also shifting to technology as the demand for single sign on and online claiming continues to rise. We'll continue to stay on top of the market developments and provide cover on our plans as and when appropriate.”

¹Laing & Buisson, *Health Cover UK Market report, 2013*

Henry Clover was optimistic too about the sector over the next half decade:

“From a dental perspective, materials and treatment options will get better and better. And, with the increasing trend towards prevention in the mainstream of dentistry, the popularity of dental payment plans will likely increase.”

So, it appears that dental benefits has weathered the economic storm rather better than many had feared it would. Moreover, the bullishness of our correspondents will surely be reflected in more providers entering this space in the near future. Dentistry itself has moved from a largely corner shop model to that of the Spar retail model – no big dental superstores here but instead the reassurance of continuity of care and national pricing and standards as dentists look to secure not just maintain and repair budgets but also to tempt us into spending more on achieving the perfect smile.