Ancillary Benefits

by Philip Kaufman
Beyond being benefits many employees value, supplemental benefits such as vision, dental and disability insurance can improve employees’ health and productivity.

Can Help Build a Healthier Workforce

Businesses looking to reduce health care costs might consider eliminating ancillary benefits such as vision, dental, disability and life insurance. But there are compelling reasons why employers should continue to offer or add these benefits—either paid for partly by the employer or as voluntary benefits with premiums paid by employees.

Many employees value these benefits, also known as supplemental benefits, and employers can offer them with little or no additional cost. Offering these supplemental benefits along with medical coverage can also give employers additional tools and information to help provide proactive outreach to improve employees’ health and productivity while more effectively managing medical costs.

With growing evidence of a link between oral and eye health to overall health, as well as to an array of chronic medical conditions, implementing voluntary benefits can prove valuable to both employers and employees.

Many health insurers now offer packages that allow employees to select from several plans, with the company paying a set amount and employees having the option to pay the difference to enhance or expand their coverage. This approach provides companies with a predictable and manageable cost, while giving employees the opportunity to purchase added benefits on a pretax basis. Benefits such as critical illness and accident protection can also complement high-deductible medical plans, which have become increasingly popular among many employers.

Surveys show that voluntary benefits can help attract and retain employees while improving morale, according to a 2014 report from LIMRA International.1 These benefits can be especially attractive depending on an employee’s life stage, such as someone with two teenagers who need braces or a middle-aged person whose vision is diminishing.

Voluntary benefits include more than dental and vision coverage. Disability, life insurance, accident protection and long-term care can also be provided as voluntary benefits. Another example is critical-illness coverage, which pays cash benefits that can be used for living expenses and out-of-pocket medical costs if a covered employee or family member contracts a specific illness or has a condition such as cancer, a heart attack, a stroke or paralysis.

Combining medical and voluntary benefits can result in more comprehensive and coordinated care that includes wellness initiatives aimed at improving the overall health of employees.

Health plans that combine medical and voluntary benefits have shown the ability to reduce the duration of disability claims when disability and medical programs are managed together. Upon filing a critical illness or disability claim, plan participants with a chronic condition such as cardiovascular disease can receive additional support and information, in-
including a case manager and exercise
and nutrition advice. These additional
resources mean employees may get back
to health—and work—more quickly.

Other integrated programs encour-
geage preventive dental and vision care,
helping to stop diseases before they start.
A 2012 UnitedHealthcare study
confirms this link. “Integrating Eye
Care With Disease Management: It’s
Not Just About Diabetes Anymore”2
demonstrated how eye care providers
can play a key role in identifying people
with various diseases. The study con-
cluded that eye care practitioners can
help detect and monitor many chronic
conditions—in addition to diabetes—
including several unexpected ones.

Eye care providers can also help
detect and monitor multiple sclerosis,
tumors, Crohn’s disease and sickle cell
anemia. For some conditions, such as
sickle cell anemia, the value of eye care
is in monitoring the disease. For oth-
ers, such as Crohn’s disease, the impact
is greatest when a comprehensive eye
exam helps care providers identify the
condition earlier and track ocular com-
plications caused by medications used
during treatment. Eye care providers
can also help monitor disease severity
and progression for many conditions,
including high cholesterol, rheuma-
toid and juvenile rheumatoid arthritis,
Graves’ disease, AIDS and lupus.

Many employers are starting to em-
brace this approach by using programs
that integrate vision and medical bene-
fits that support patients and health care
professionals with information, deci-
sions and outcomes. These programs can
include a variety of features, including:

- Eye care practitioners can be en-
couraged to code claims with
chronic condition categories.
Those diagnoses automatically
are referred to disease manage-
ment programs for followup
based on the patient’s needs.

- Eye care practitioners can be noti-
fied of patients with at-risk condi-
tions during the exam authori-
zation process, with a recommenda-
tion to include, as part of the com-
prehensive eye examination, a di-
lated fundus exam that uses eye
drops to dilate the pupil to gain a
better view of the eye.

- Patients with diabetes, diabetic
retinopathy, hypertension, hy-
pertensive retinopathy, vascular
disease or high cholesterol can be
notified with a phone call, which
is more effective than a postcard
reminder, about the importance
of their annual eye exam.

- For patients who may have
chronic conditions, referrals to
primary care providers or spe-
cialists can be supported via spe-
cially designed forms available
online to eye care practitioners.

Dental and medical benefits also can
be integrated. UnitedHealthcare stud-
yed three years (2008 to 2011) of dental
claims data associated with more than
130,000 plan participants enrolled in
both employer-sponsored dental and
medical plans. The study showed that
improving the oral health of people
with chronic medical conditions, such
as diabetes, asthma and cardiovascular
disease, can reduce health care costs.3

The research showed that people
with certain chronic conditions who
received appropriate dental care, in-
cluding preventive services and the
treatment of gum disease, had net med-
cal and dental claims that were on av-
erage $1,038 lower per year than claims
for chronically ill people who did not
receive that type of oral care. Among
diabetics, the average annual net medi-
cal and dental claims were $1,279 low-
er per person for individuals who were
treated for gum disease compared with
people who were not. The savings for
all of those groups were achieved even
after accounting for the additional cost
of the dental care.

Among the study’s other findings:

- Total average medical costs were
lower across all chronic condi-
tions for people who received
periodontal treatment or clean-
ings compared with those who
did not receive such services, even
after accounting for the costs of
additional dental treatments.

- People with chronic conditions
who received regular cleanings (at
least three times during the three years) had the lowest health care costs of any other dental treatment group (i.e., infrequent cleanings or no cleanings).

- The savings were significant even for those who received regular dental care but were not compliant with the recommended care for their chronic medical condition. Among the group receiving dental care, annual average medical costs were $2,320 lower than those not receiving dental care, with net savings of $1,829 after accounting for the cost of the dental care.

Besides dental and vision coverage, employers may want to consider programs that help their employees address hearing loss. Hearing loss is a significant health issue for more than 48 million Americans, 60% of whom are still in the workforce or in school. A growing number of private health insurance plans, along with standalone programs offered by some national hearing aid companies, provide discounts for hearing aids, helping to make these devices more accessible and affordable. Hearing aids can help more than 90% of people with hearing loss; however, they can cost up to $8,000 a pair, making them unaffordable to many people.

Helping address hearing loss can foster a healthier, more productive workforce. New research shows that hearing loss is associated with a range of physical and mental health issues, including increased risk of falls, social isolation and even dementia. People with hearing loss are more likely to be unemployed, while people who are employed earn about 25% less on average than those without that diagnosis, according to a study published in the *Annals of Otology, Rhinology & Laryngology.*

Finally, hearing loss may affect a patient’s ability to fully understand recommendations provided by their health professional, affecting adherence and, in turn, their ability to manage their health.

Offering voluntary benefits as part of an employee’s menu of benefits options can maximize the effectiveness of a company’s health care dollars and, when offered alongside medical insurance, can provide families with added peace of mind for both their health and financial protection. Employers that combine voluntary and medical benefits may be able to reduce turnover, increase productivity and build a culture of health.

**Endnotes**


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