

Campus Signal:

Investing in the Future of Your Workforce: A Modern Approach to Dental Benefits

Why Dental Insurance is a Critical Investment

From an economic and health standpoint, dental benefits provide a two-fold advantage:

- **A Frontline Defense:** Routine dental exams allow for the early diagnosis of serious systemic conditions, including oral cancer, diabetes, and cardiovascular disease.
- **Preventing "Expensive Problems":** By making routine care accessible, employers reduce the risk of advanced issues like periodontal disease or tooth loss. These complications lead to lost productivity and much higher medical claims down the road.

As employees face rising out-of-pocket costs, a robust dental plan is more than just a line item in a budget. It is a critical investment in the long-term health, stability, and success of the people who drive your business.

In today's competitive labor market, dental insurance has evolved from a simple "perk" into a strategic necessity for attracting and keeping top talent. For school systems and local government administrators, it is a vital tool for managing the overall health of a workforce while navigating fixed budgets. Recent data highlights a significant shift in expectations, with the number of workers ranking dental benefits as "very or extremely important" jumping to 75% in 2025 (*per the Ameritas dental insurance market report*). High-quality dental coverage is no longer optional; it is a requirement for any competitive employer brand and a critical investment in the long-term stability and success of your organization.



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**Information pulled from the Ameritas Dental Report*

Market Pressures: The "Inflation Gap"

For school systems and local government administrators, staying within a fixed budget is getting harder due to a widening "Inflation Gap." Public sector budgeters must now account for Dental Inflation, which is operating independently of and much faster than general healthcare trends.

- **The Data:** Between January 2022 and September 2025, the cumulative Dental Consumer Price Index (CPI) rose by 18.4%.
- **The Comparison:** During that same period, the Medical CPI only rose by 11.3%.
- **The Impact:** Dental care costs are currently accelerating nearly 63% faster than general medical costs.

What's Driving the Increase?

It isn't just that more people are visiting the dentist; it's that the visits themselves are becoming more expensive. In early 2025, there was a 5% surge in cost-per-member, even though the number of people enrolled stayed the same. This proves the primary driver is a higher price-per-procedure, fueled by rising labor costs, material costs, and a shift toward more expensive treatments. Without adjusting your plan design to account for these nuances, your department could face significant budgetary misalignment.

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Designing for Your Workforce

Most high-performing public sector plans use a four-tier structure to encourage preventive care while managing costs for major procedures.

Public sector employers can strategically "tune" dental plans to balance premium stability with meaningful out-of-pocket protection for their staff. By customizing plan architecture, you can influence employee behavior, ensuring your budget is spent where it matters most while protecting the human capital that drives your organization.

Key Customization Tactics

- **Incentivize In-Network Care:** Increasing in-network co-insurance prevents employees from exhausting annual maximums up to 25% faster at out-of-network dentists.
- **Update Annual Maximums:** Adjust annual maximums to better meet employee needs while maintaining sustainable claim levels.
- **Use Rewards Programs:** Offering incentives for preventive visits can improve follow-up rates for necessary care by 40%, preventing minor cavities from becoming \$1,500 crowns.
- **Tailor to Demographics:** For workforces aged 45+, prioritize higher maximums for crowns and implants; for younger groups, keep Periodontics (gum care) in the "Basic" category to prevent early tooth loss.

Class	Category	Typical Coinsurance	Typical Procedures
Class I	Diagnostic and Preventive	100%	Cleanings, exams, X-rays
Class II	Basic Care	80%	Fillings, simple extractions
Class III	Major Care	50%	Crowns, bridges, implants
Class IV	Orthodontia	50%	Braces (often for children under 19)

Maximizing Value: The Network Nexus

For groups who often live across a broad geographic area or a rural area, Network Depth is the true engine of plan savings. A low premium is a "false economy" if the network cannot deliver actual discounts to your staff in their specific zip codes.

- **The "Effective Discount" Formula:** To find a plan's true value, multiply the network's average discount by the percentage of your workforce that actually uses it. A 40% discount is meaningless if only 10% of your employees can find an in-network dentist nearby.
- **The High Cost of Going Out-of-Network (OON):** For a standard crown, an employee pays roughly \$420 in-network compared to \$685 out-of-network.
- **Faster Benefit Exhaustion:** OON care not only doubles the employee's immediate cost but also exhausts their annual benefit 25% faster, forcing them to pay entirely out-of-pocket for any other care needed that year.

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The “Whole-Body” Connection: Oral Health as Preventative Medicine

For public sector health plans, treating oral health as a standalone “perk” is a missed opportunity for significant medical savings. We now have undeniable data linking untreated dental issues to massive medical spending for chronic conditions. By prioritizing routine cleanings, your health plan can realize substantial cost reductions in these key areas:

- **Diabetes Management:** Members who receive at least two cleanings per year see an average medical spend of \$10,992, while those with no cleanings spend \$13,737 a difference of roughly \$2,745 per year.
- **Heart Disease (CAD):** The impact on cardiovascular health is even more dramatic. Individuals with two or more annual cleanings have an average medical spend of \$23,207, compared to \$34,393 for those who skip their cleanings.
- **Maternal Health:** Proper dental care during pregnancy is a critical “frontline defense,” reducing the risk of preterm births and low birth weight, which are primary drivers of high-cost NICU claims.

Integrating dental and medical data allows school systems and local governments to identify high-risk members and move from a “treating pain” model to a “preventing problems” model.

Conclusion: Moving Toward Proactive Management

As we move through the year, the goal for public sector administrators is to ensure dental benefits are not a line-item expense but a high-functioning component of a total health strategy. By applying administrative rigor during renewal cycles, such as verifying discount accuracy and demanding clinical justification for increases, employers can protect both their budgets and their employees' well-being. Transitioning from a “treating pain” model to a “preventing problems” model through integrated data and strategic plan design will foster a healthier, more productive workforce for years to come.

Broker & Carrier Accountability: Turning Renewals into Performance Reviews

Public sector administrators should treat dental plan renewals as more than just a line item to manage. Instead, view them as a formal performance review for your insurance partners. To ensure your plan remains a high-functioning part of your total health strategy, use these targeted questions during every renewal cycle to hold your brokers and carriers accountable:

- **Audit Network Accessibility:** Do your employees have genuine, easy access to in-network providers in the specific zip codes where they live and work?
- **Identify “Paper Benefits”:** Are there specific plan features that look impressive in a brochure but have zero utilization while still driving up your premiums?
- **Explore Creative Cost Savings:** What proactive or creative initiatives—such as wellness rewards or tiered networks can be implemented to reduce overall costs while increasing employee satisfaction?

By applying this level of administrative rigor, you transform your dental plan from a line-item expense into a strategic tool that protects both your annual budget and your employees' long-term health.

Budgeting & Compliance Checklist

Managing a public sector dental plan requires looking beyond the monthly premium to ensure the benefit works for your staff. Use this checklist to audit your plan’s financial health and regulatory standing:

- **Check the U&C (Usual & Customary) Percentile:** Don't focus solely on the premium. A plan at the 50th percentile might save 6% on premiums but can increase an employee’s out-of-pocket cost for a filling by 16.3% due to “balance billing”. Aiming for the 90th percentile provides superior cost predictability and employee satisfaction.
- **Evaluate Funding Models:** If you have budgets that allow contribution towards premiums this can help control overall costs for all employees.

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COMPASS COMPANION

The following document is for your organization's administration to better understand the Compass Companion guide available for your organization's employees. *For Admin Use Only*

WHAT IS COMPASS

This Benefit Signals issue is paired with an employee-facing Campus Benefits Compass guide that translates this topic into clear, practical steps for staff. The Compass piece helps employees understand what to do, when to act, and which documents they need, reducing confusion and preventing avoidable errors. Districts and municipalities can distribute the Compass piece during onboarding, open enrollment, or whenever employees experience a related event.

HOW TO USE THIS COMPASS GUIDE

Step 1: Download the Compass companion piece separately

Step 2: Fill in your contact information so employees know who to reach out to with questions.

Step 3: Distribute the piece to your employees in whatever format works best for your organization.

- Share it with employees when they are experiencing a related event.
- Include it in onboarding packets for new hires to set expectations early.
- Use it as a consistent reference tool to ensure employees follow required steps and deadlines.

** If you would like a more customized piece tailored to your specific organization, please email together@campusbenefits.com.*

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