



**SKYGEN**

# INDUSTRY OUTLOOK

**THE TIME FOR DENTAL AND VISION  
BENEFITS TRANSFORMATION IS NOW**

**SKYGENUSA.com**

© 2024 SKYGEN USA, LLC. All rights reserved.

**The dental and vision industries are on the brink of change, driven by the rise of corporate dental, modern technology pushing out legacy systems and increasingly high consumer expectations for more interactive, seamless digital health care experiences.**

**WE ARE AT A TURNING POINT** with the delivery and management of specialty benefits, and it was this recognition that sparked [our research](#) into consumer perceptions to help insurers navigate an ever-changing landscape. What we discovered was that mobile apps are the go-to for consumers seeking to schedule an appointment, manage their care, pay a claim and shop around for providers, while players in the Medicare Advantage space are facing market competition, with convenience and accessibility top-of-mind.

PAGE 4

## TREND 01

Specialty insurers will need to be vertically integrated to stay competitive and keep pace with an ever-changing market.

PAGE 5

## TREND 02

Embracing data and analytics reporting will be essential for those seeking to advance value-based care and improve health equity within the Medicaid space.

PAGE 6

## TREND 03

As a result of Medicare Advantage (MA) growth, investment in inexpensive, high-value plans will grow.

PAGE 7

## TREND 04

With increasing consumer preference for mobile and virtual experiences, mobile health apps will become the rule, rather than the exception.

PAGE 8

## TREND 05

Changes in demographics and practice management are fueling opportunity for new investors and players to emerge in the Medicaid space.

# TREND 01

**Specialty insurers will need to be vertically integrated to stay competitive and keep pace with an ever-changing market.**

**Cost is a growing focal point in specialty benefits, with consumers increasingly factoring it into their decision-making both when it comes to obtaining and utilizing coverage.** In a [survey of nearly 5,000 consumers](#) on vision and dental benefits, specifically, cost was identified as the top barrier to obtaining vision or dental insurance.

With this in mind, a growing trend is insurer diversification of portfolios to offer a competitive premium and create new revenue streams.

**Some examples of alternative businesses and product integration efforts that insurers may engage in include:**

- Bundling dental and vision services to create one comprehensive benefits package. This presents an attractive option for consumers who opt for more infrequent levels of care, and for those who see cost as too significant a barrier to overcome.
- Selling products via joint ventures or through third-party partnerships with other companies. In a [2022 McKinsey survey](#), 24% of insurers named business building as their top priority.
- Offering patient financing or a new patient savings plan at a discount or special rate, requiring that consumers go through an insurer for everything – from the initial eye exam to the purchasing of frames and contacts. This will be a differentiator for cost-conscious consumers, with 40% of respondents to [SKYGEN's Pulse Report](#) indicating that discount programs would make them more likely to seek out and purchase dental and vision coverage.





**There is an indisputable link between vision and dental care and overall health outcomes, with national findings supporting routine preventative care to proactively detect serious health conditions.** Even so, with high office turnover and reliance on legacy systems and processes, health records are often not reliable and constantly changing, leading to incomplete or incorrect patient information necessary to better inform the need for care.



Insurers will not only need to adopt, but embrace, modern technologies such as interactive surveys, mobile message features and generative AI capabilities that can drive the collection of more granular, timely data. By analyzing and interpreting this data, insurers can better understand the unique barriers or challenges different segments of the Medicaid landscape may experience in obtaining care and address those accordingly.

For instance, while cost is undeniably a barrier to obtaining care, access to care is equally as much so. This is corroborated by the fact that 23% of consumers among both vision and dental groups surveyed in [SKYGEN's Pulse Report](#) said that they have not shown up for a scheduled appointment because they didn't have reliable transportation. Insurers can improve quality of care by matching patients with linguistically appropriate providers and/or helping patients access suitable virtual care if they are located rurally.

Knowing that many call center representatives will be AI-enabled by 2040 represents another avenue for equitable patient access by offering instant response times, multilingual support and 24/7 availability.

## TREND 02

**Embracing data and analytics reporting will be essential for those seeking to advance value-based care and improve health equity within the Medicaid space.**

# TREND 03

**As a result of Medicare Advantage (MA) growth, investment in inexpensive, high-value plans will grow.**

**Medicare Advantage (MA) remains the largest value pool for payers and is projected to continue growing rapidly in the coming years.** At the same time, payers are juggling price increases and inflationary impact, as well as Medicare member expectations who, while clamoring for change, are hesitant to accept reduced benefits or costs that are necessary to ensure a sustainable MA future.

As a result, investment in low-cost MA plans that offer more choice, more flexibility and more convenience is an emerging trend that offers more value to consumers than expensive plans that aren't used very frequently—with 37% of consumers affiliated with commercial insurance, discount plans or Medicare placing equal emphasis on the range and quality of benefits when choosing their vision insurance.



**While the utilization of mobile apps is not a new phenomenon, with healthcare apps having an estimated worth in 2023 of over \$50 billion, consumers have come to expect that every aspect of their benefits and care management translates to a virtual experience.** This means that offering mobile apps will be a prerequisite for insurers. This same expectation goes for consumers, who will be required to use a mobile app to interact in kind with their insurers and benefits packages.

In addition to meeting consumer behavior across all demographics, with McKinsey suggesting that digital engagement now “typifies the MA experience,” mobile apps will improve the patient experience by making care more accessible. According to [SKYGEN’s Pulse 2023 Report](#) on consumer insights, over 70% of respondents ranked some form of digital engagement tool as a top feature that would improve their vision/dental care experience, and two-thirds indicated that text reminders would make them less likely to miss or forget their appointment.



## TREND 04

**With increasing consumer preference for mobile and virtual experiences, mobile health apps will become the rule, rather than the exception.**

# TREND 05

**Changes in demographics and practice management are fueling opportunity for new investors and players to emerge in the Medicaid space.**



**THE PLAYING FIELD FOR DENTISTS** and, as such, opportunities to innovate, is changing. Older dentists are selling their practices to corporate entities, while concerns of inflation, overhead and rising costs abound. American Dental Association's Health Policy Institute (HPI) predicts that many baby boomer dentists will leave the profession, anticipating a major de-aging of the workforce in the next five to 10 years. The demographic of the new, incoming dentists is completely different than that of the existing pool of dentists, with things like a tech-forward mindset and shorter work weeks a priority.

All of this, coupled with relatively little innovation or competition happening in the Medicaid space and the number of people enrolled in it seeing an increase of nearly 70% in the last decade, presents a prime area of opportunity for new investors and players to emerge. SKYGEN predicts that this will take the form of more merger and acquisition activity and young tech startups taking a bite out of the corporate dental apple.





## ABOUT SKYGEN

Over 30 years, SKYGEN has helped payers, providers and government agencies navigate the complex specialty benefits landscape. In addition to innovative, future-thinking technology and services, SKYGEN has become an industry thought leader, leveraging its years of expertise and experience to shape the future of vision and dental benefits and administration and drive efficiency in healthcare. As part of this commitment, SKYGEN experts delve into must-have insights, outlining the emergence of new technologies, market fluctuations and higher consumer expectations year over year.

For the previous SKYGEN Industry Predictions 2023 e-book, visit:  
[https://www.skygenusa.com/industry-predictions-2023.](https://www.skygenusa.com/industry-predictions-2023)

———— SKYGENUSA.com ————

