



2027 Pulse Report:

Payer Perspectives

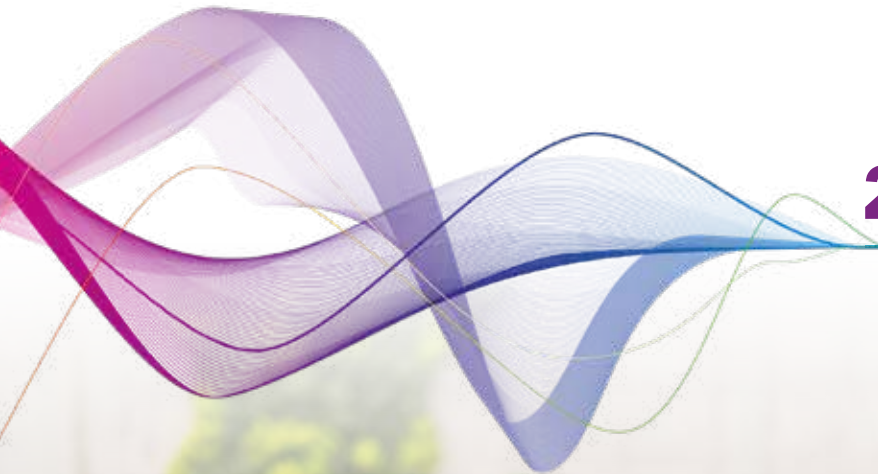


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Acknowledgments

Special thanks to **Delta Dental of Missouri** and **Careington** for their valuable input, support, and partnership in shaping this research. Their collaboration and thoughtful feedback helped ensure that the insights gathered reflect the real priorities, perspectives, and opportunities facing payers and TPA partners.



Executive Summary

Dental and vision payers operate in a market defined by growth ambition, operational complexity, and pressure to execute. The findings show that dental and vision benefits play a strategic role within payer portfolios, but there is no single path forward. Some payers are expanding product portfolios, while others are sharpening core offerings. Across these strategies, one priority stands out: payers need to simplify administration, improve efficiency, and create better experiences for members, providers, employers, and partners.

Five key findings from the 2027 SKYGEN Pulse Report

Payer Perspectives include:

- **Operational friction is a defining competitive challenge.** Administrative complexity, fragmented data, workflow challenges, compliance demands, and stakeholder experience gaps create barriers between strategy and execution.
- **Member engagement depends on experience design, not outreach alone.** Payers identify engagement as a leading priority, but confusion, complex benefits, low awareness, clunky digital tools, and administrative friction continue to limit progress.
- **Provider experience is a core network strategy.** Reimbursement remains important, but claims speed, administrative simplicity, transparency, and ease of doing business also influence provider satisfaction, retention, and differentiation.
- **Integration is a priority, but readiness lags.** Medical, dental, and vision integration is a moderate to high priority for 70% of payers, yet only 30% report fully integrated systems supporting that integration.
- **AI and automation are part of payer operations today.** Payers report using advanced technologies across fraud, waste, and abuse detection, claims processing, predictive analytics, prior authorization, transparency, and provider support.

Taken together, the findings highlight a central tension:

Payers place clear importance on engagement, provider experience, integration, value-based approaches, partnerships, and modernization, but many of these priorities depend on solving persistent operational challenges. The opportunity lies in alignment — connecting technology with business priorities, growth with operational readiness, cost management with stakeholder experience, and innovation with clear governance. Payers that reduce friction and strengthen execution will be better positioned to create measurable value across the specialty benefits ecosystem.



This Report is Interactive

To help turn insight into action and conversation, you'll find clickable icons like this placed throughout the **2027 SKYGEN Pulse Report**:

These icons appear next to key findings and statistics. Clicking one lets you instantly share that insight on X - complete with prewritten post text, hashtags and a link to the full report. Go ahead! Click the sample above to see how it works. You're in full control and can post, edit or cancel before sharing.



The background of the slide features a blurred image of a person in a business suit, likely a financial professional, with their hands clasped. Overlaid on this are various financial and data-related graphics, including a bar chart with upward-pointing arrows, a candlestick chart, and a wavy line graph, all in a blue and gold color scheme.

Payer Positioning & Product Strategy

Dental and vision benefits play a strategic role within payer portfolios. Overall, 43% of respondents characterized dental and vision as key growth drivers within a diversified portfolio rather than simply bundled add-on products, reflecting their growing importance in long-term portfolio strategy.

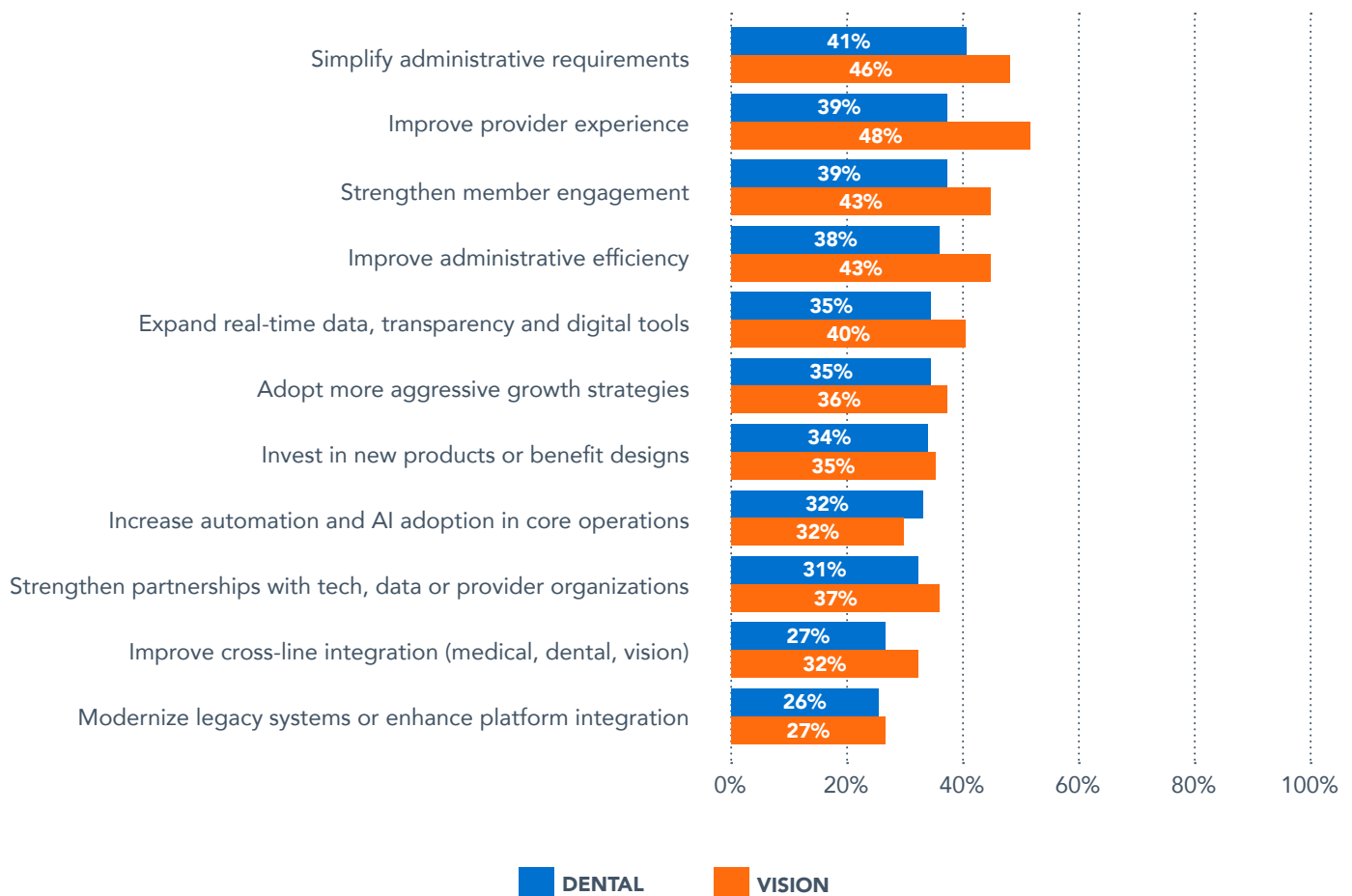
There Is No Single Blueprint for Growth

Growth strategies vary across commercial and government lines of business. Most respondents described their commercial strategy as growth-oriented while reporting more limited participation in government markets. Even within that commercial focus, payers are pursuing different paths, with respondents nearly split between expanding product portfolios (32% of both dental and vision payers) and sharpening core offerings (30% dental; 32% vision). Together, these findings suggest that payers are tailoring growth strategies to their market positions, while operational execution is a clear common requirement.

Operational Excellence Is Becoming a Competitive Strategy

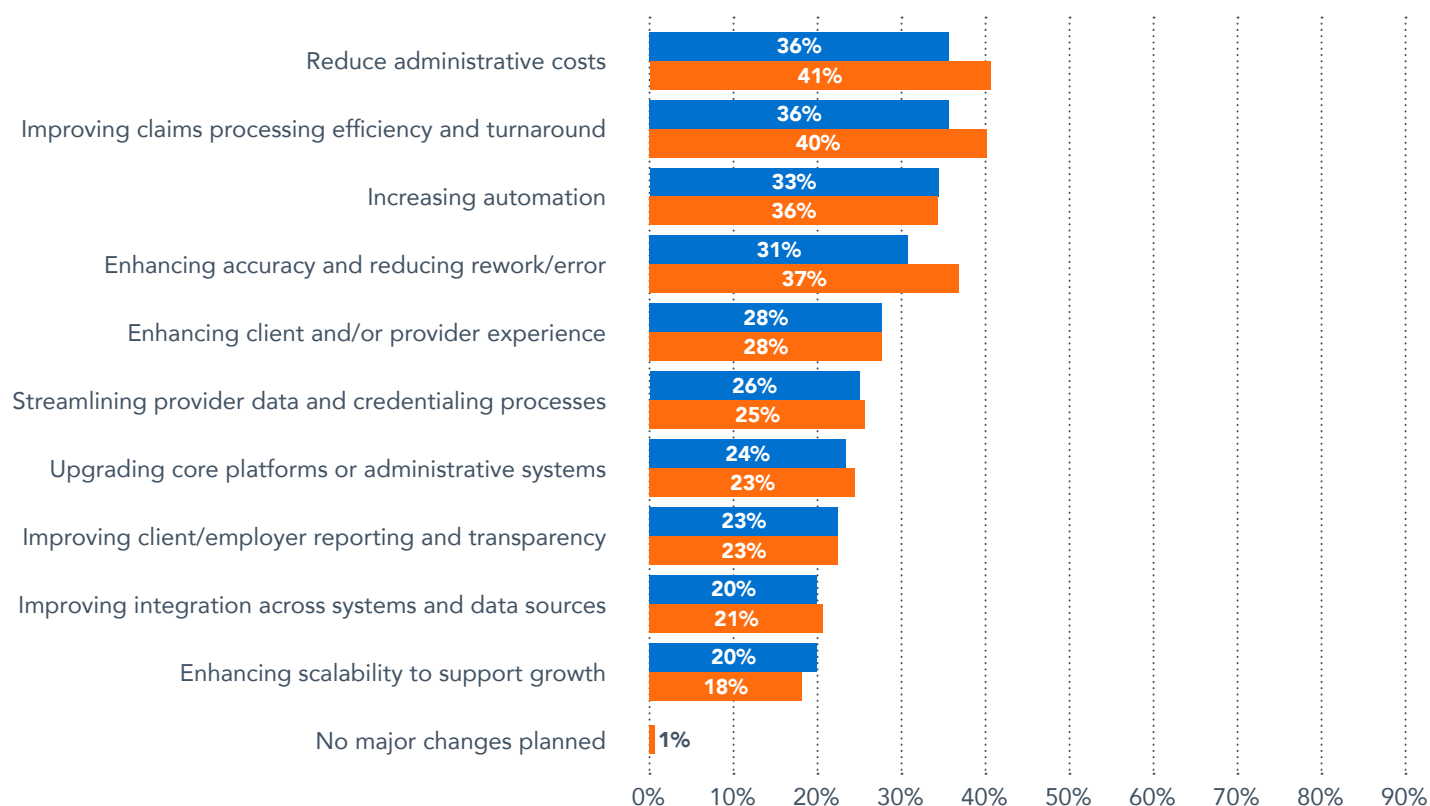
Growth in a competitive environment increasingly extends beyond pricing. Although pricing remains an important factor in attracting and retaining customers and supporting market position, payers are signaling that sustainable competitive advantage also requires administrative simplification and enhanced efficiency, stronger engagement, and better experiences for both members and providers.

ACTIONS NEEDED TO STAY COMPETITIVE



Payer investment priorities reflect that focus, with both dental and vision payers prioritizing reduced administrative costs, faster claims processing, and increased automation.

TOP ADMINISTRATIVE PRIORITIES



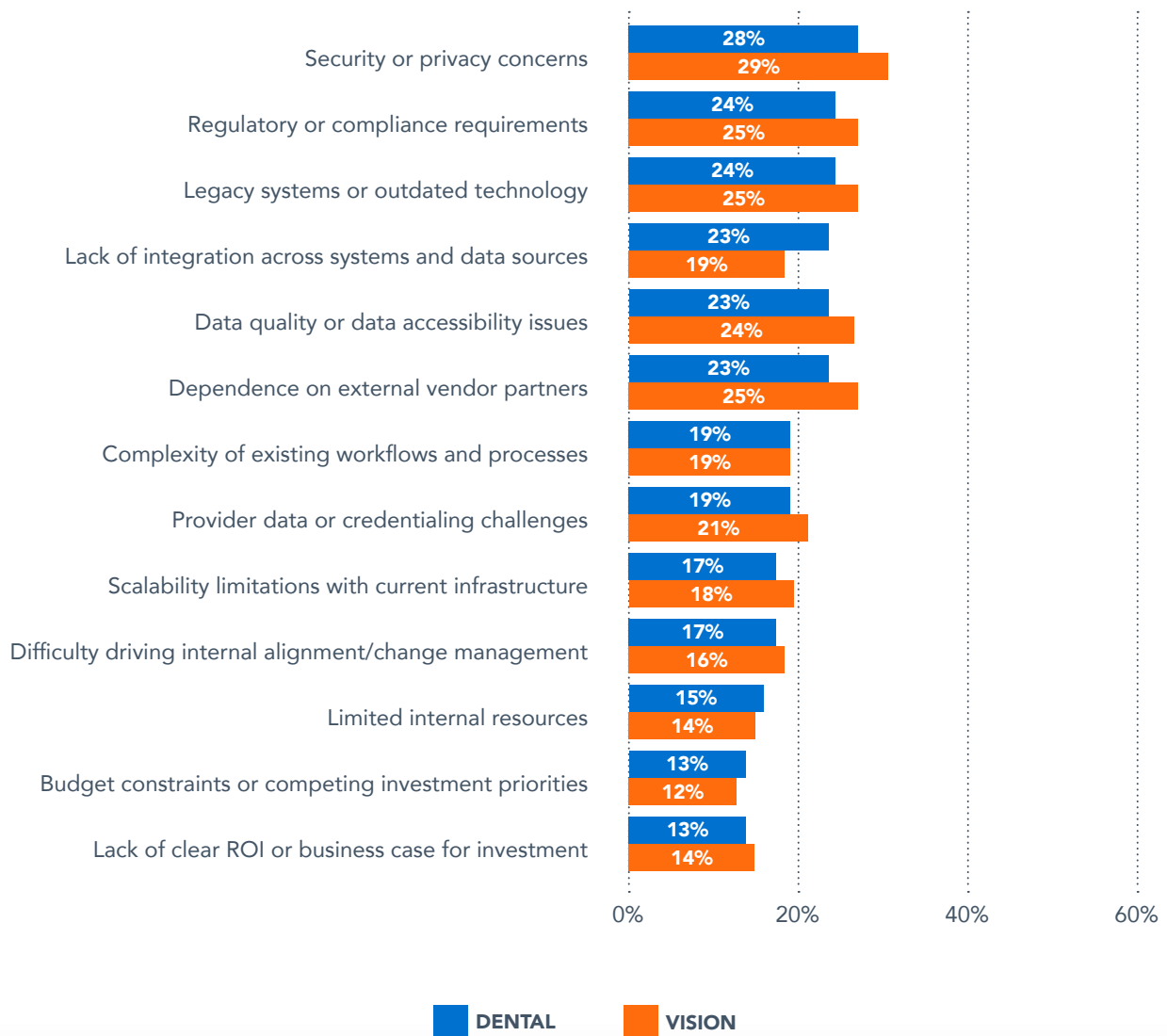
Taken together, these findings suggest that payers are competing not only on what they offer, but on how efficiently they deliver it.

While payers appear aligned on the importance of administrative performance, meaningful barriers remain.

Perspectives from the Field:

"Increasing cybersecurity threats and data breaches could impact trust and operations."

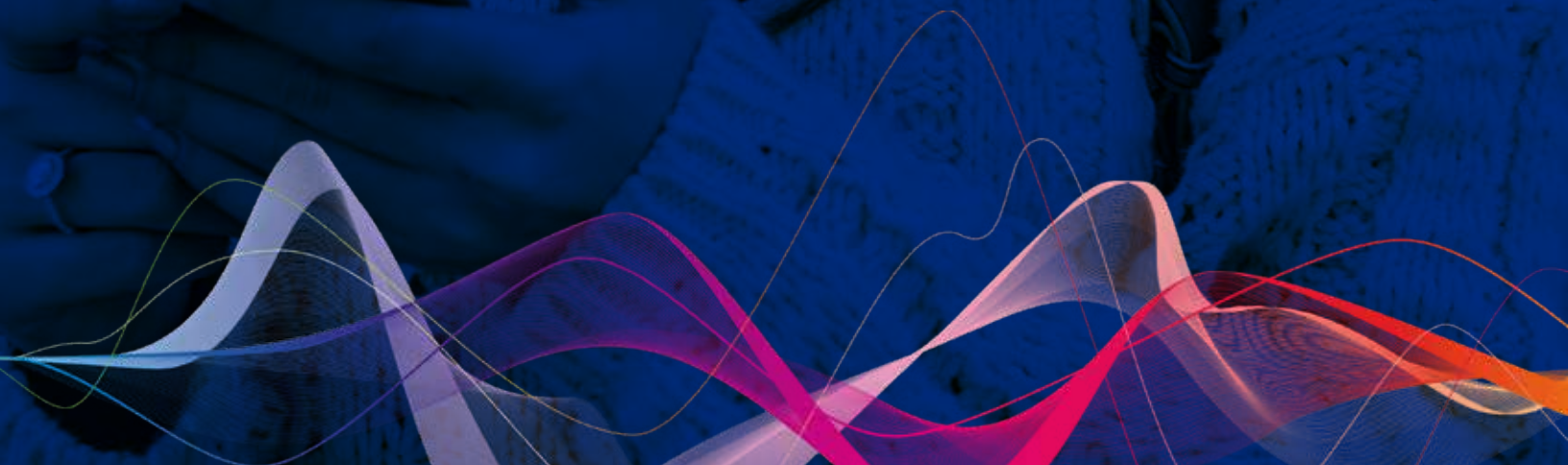
BARRIERS TO ACHIEVING ADMINISTRATIVE PRIORITIES





Member Engagement

Payers increasingly recognize that member engagement is about more than encouraging members to use benefits. It is a strategic imperative for improving outcomes, increasing preventive care utilization, reducing avoidable costs, and strengthening the member experience and retention. As payers refine their strategies, many are looking beyond traditional outreach and focusing on reducing friction across the member journey.



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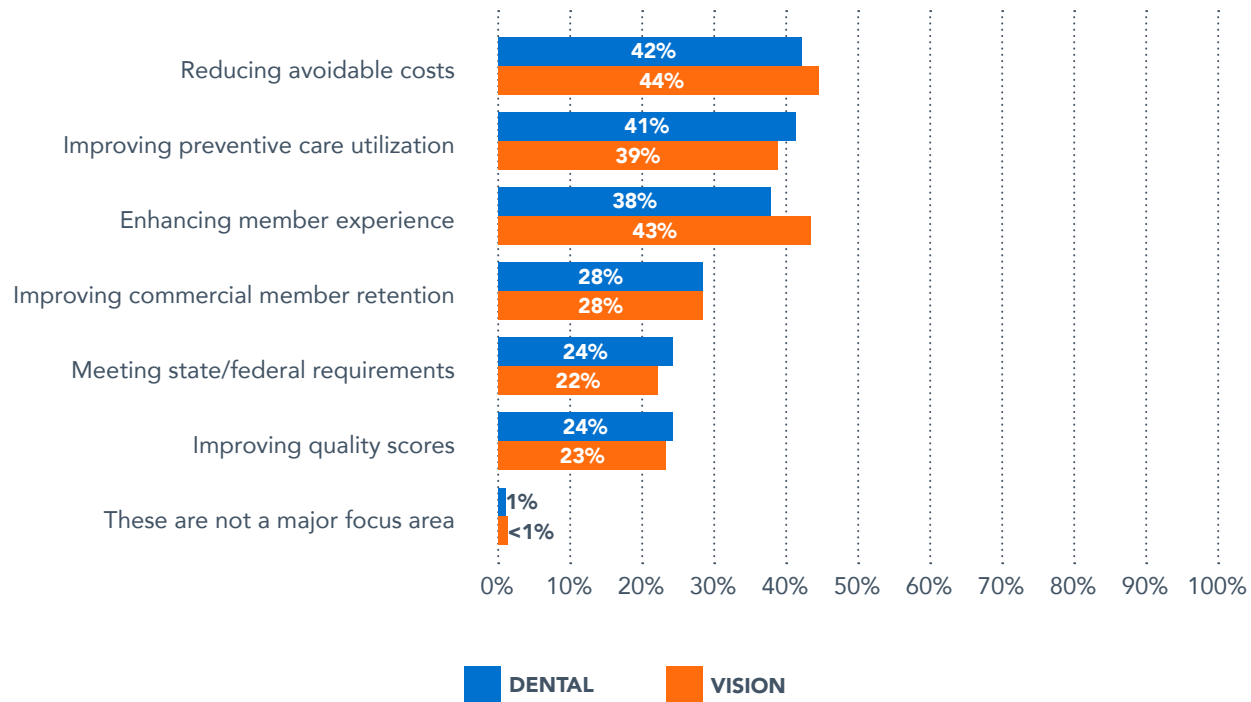


Member engagement is a leading organizational priority across payer segments. It was rated as a top priority by **63% of commercial payers** and **67% of Medicare Advantage payers**.

Member Engagement is a Strategic Priority

By insurance type, 62% of dental payers and 58% of vision payers identified member engagement as a leading organizational focus. Payers also have clear goals for strengthening member engagement, with priorities that include reducing avoidable costs and increasing preventive care utilization. These findings suggest that payers view engagement not simply as a way to raise awareness of available benefits, but as a strategic lever for influencing member behavior and improving both clinical and financial outcomes.

KEY MEMBER ENGAGEMENT OBJECTIVES



Member Engagement Still Faces Experience Barriers

Open-ended responses provide a clearer view of what continues to limit member engagement today. Across comments, respondents pointed to complexity, confusion, and friction across the member experience. Unclear benefits, complex plan structures, low awareness of available services, and limited understanding of healthcare and insurance terminology were frequently identified as barriers that make it difficult for members to recognize the value of their benefits or know what action to take before an urgent need arises.

Respondents also connected engagement to the quality of the overall experience. Generic outreach, fragmented systems, clunky digital tools, slow administrative processes, and trust concerns can all reduce members' satisfaction and willingness to engage. Taken together, the comments suggest that stronger engagement may depend less on increasing the volume of outreach and more on simplifying benefit communication, personalizing interactions, improving digital usability, and reducing operational pain points that weaken confidence in the plan experience.

Perspectives from the Field:

"When care feels confusing and hard to navigate, members are less likely to stay engaged."



Engagement Begins with Better Experiences

Payers are pursuing stronger member engagement through both benefit design and operational improvements. More than half of respondents identified benefit design enhancements as their most effective strategy for increasing preventive care utilization, including **55% of dental payers** and **58% of vision payers**.



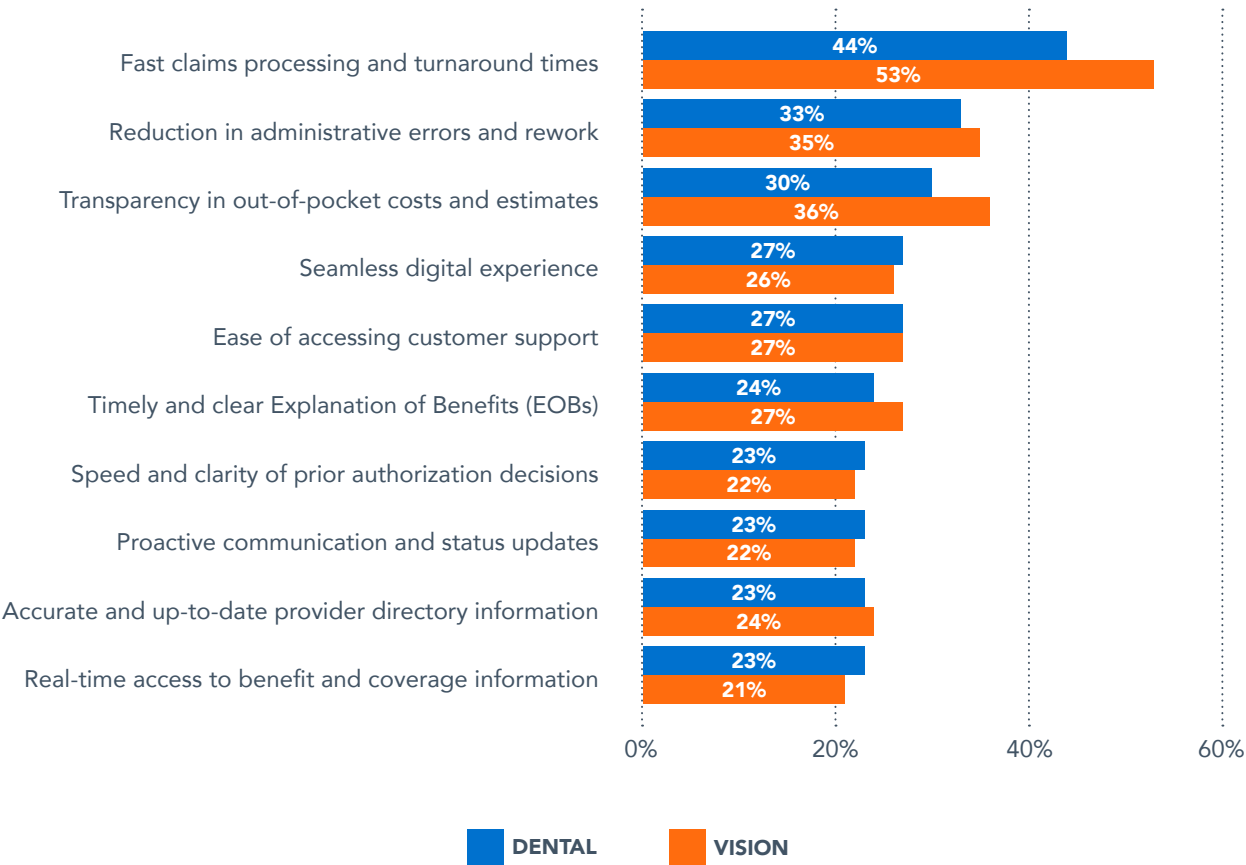
The administrative experience also plays an important role. Fast claims processing and improved turnaround times were identified as important engagement drivers, reinforcing that members judge their experience not only by the benefits they receive, but also by how easily they can access and use them.



Perspectives from the Field:

“Enhancing digital tools and personalized benefits can help us better engage members and improve overall experience.”

ADMIN EXPERIENCE DRIVERS OF ENGAGEMENT



Medical, Dental, and Vision Integration Is Becoming an Engagement Strategy

One notable extension of payers’ emphasis on care coordination and simplified member experiences is the growing focus on care, with **70% of dental and vision payers identifying medical, dental, vision integration as a moderate to high priority.**

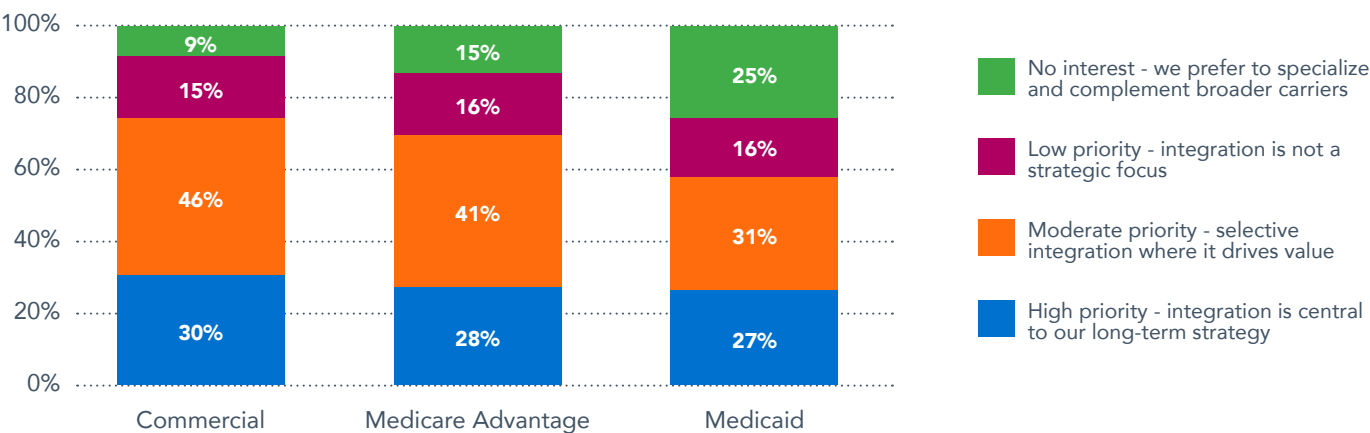


Perspectives from the Field:

“Expanding preventive care and connecting oral health with overall health can improve outcomes and help engage members more effectively.”

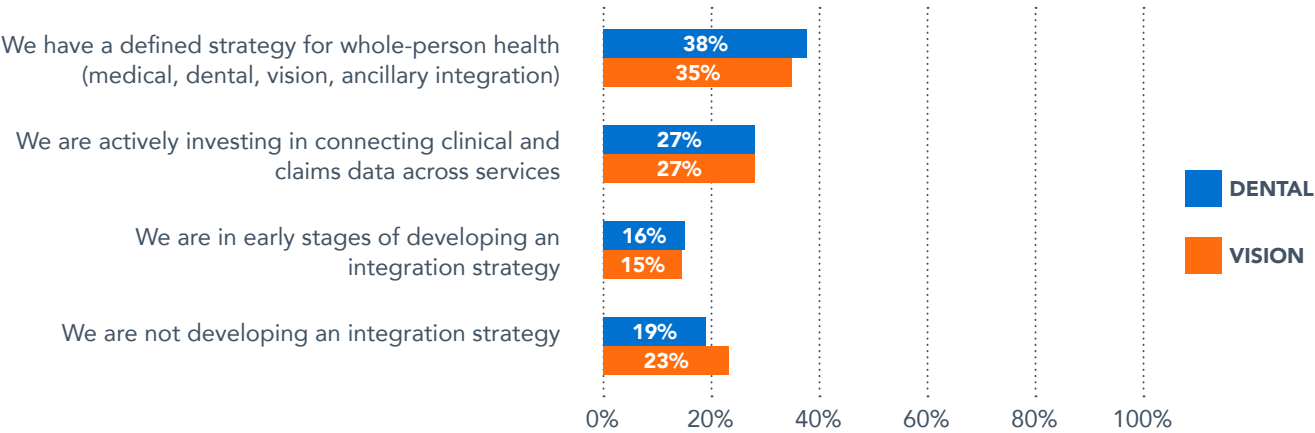


STRATEGIC APPETITE FOR MEDICAL, DENTAL & VISION INTEGRATION



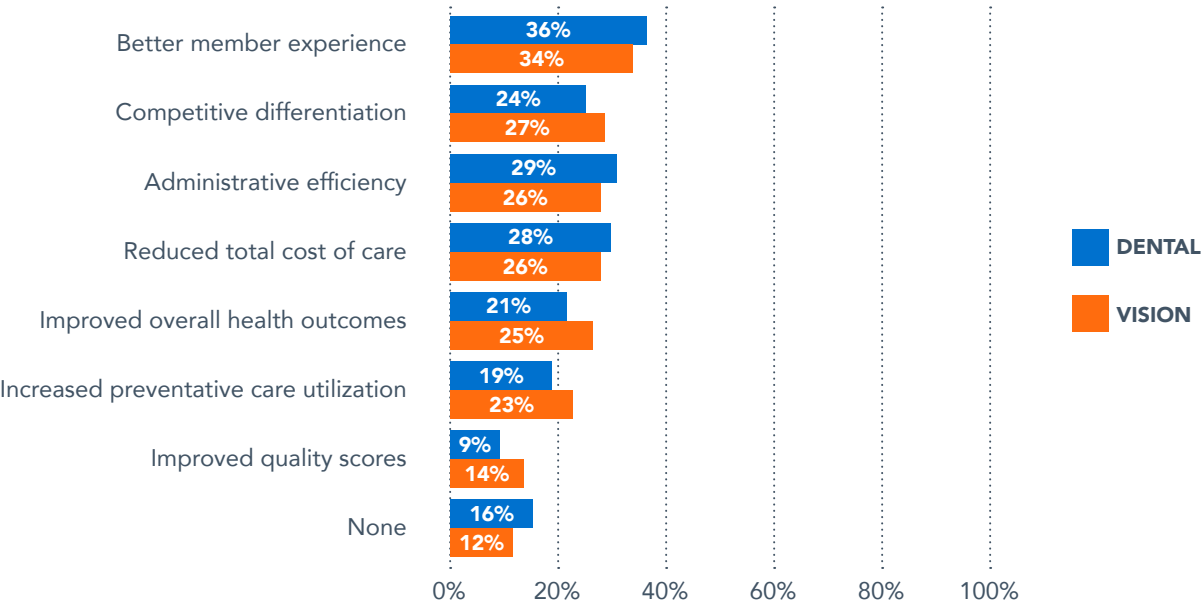
Most also reported having some level of integration strategy, ranging from a fully defined strategy to current investments in connected clinical and administrative systems or early-stage strategy development.

MEDICAL, DENTAL, VISION INTEGRATION STRATEGY



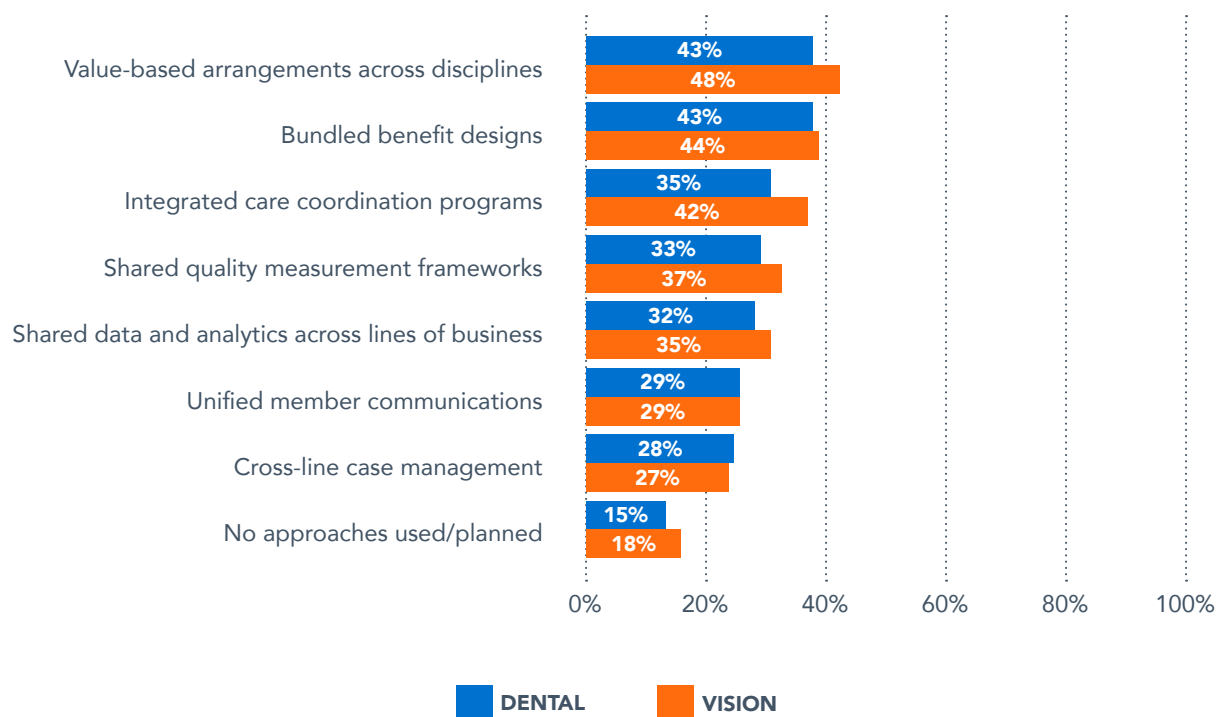
Payers are pursuing integration with the expectation that it will improve the member experience, create competitive differentiation, increase administrative efficiency, and reduce total cost of care.

DESIRED OUTCOMES FROM INTEGRATION



To achieve these goals, respondents identified value-based arrangements, bundled benefit designs, and integrated care coordination programs as the most effective approaches for connecting medical, dental, and vision care.

APPROACHES TO CONNECT DENTAL, VISION & MEDICAL CARE



Integration Readiness Remains a Work in Progress

Despite broad interest in medical, dental, and vision integration, many payers still face operational and technology barriers. Only 30% of payers report fully integrated systems supporting medical, dental, and vision integration, while others report varying levels of gaps or no integration.

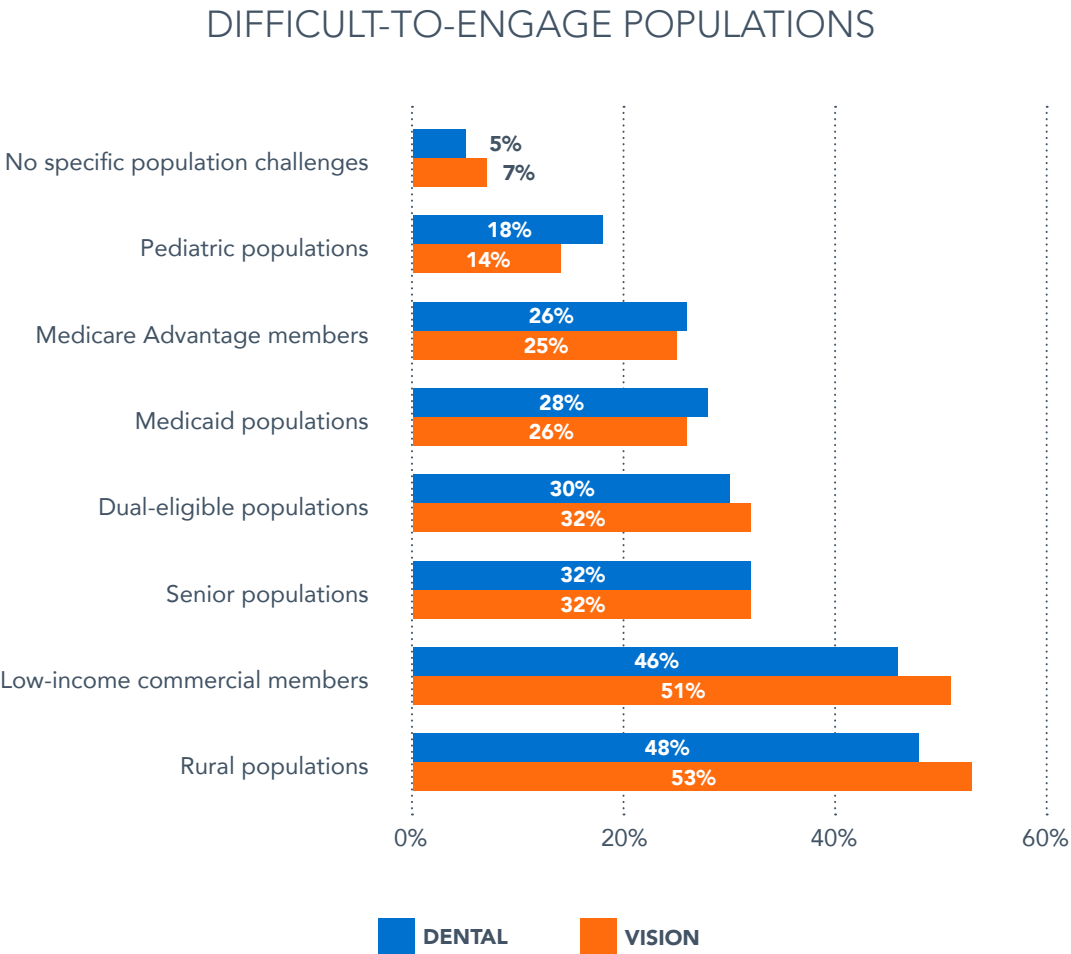
The most frequently cited challenge is data silos, identified by 38% of dental payers and 43% of vision payers, followed by member privacy and data-sharing limitations, reported by 28% of dental payers and 35% of vision payers.

These findings suggest that successful integration will require more than connected systems. Payers will need to align data, workflows, benefit designs, care models, and value-based approaches to create more connected member experiences.



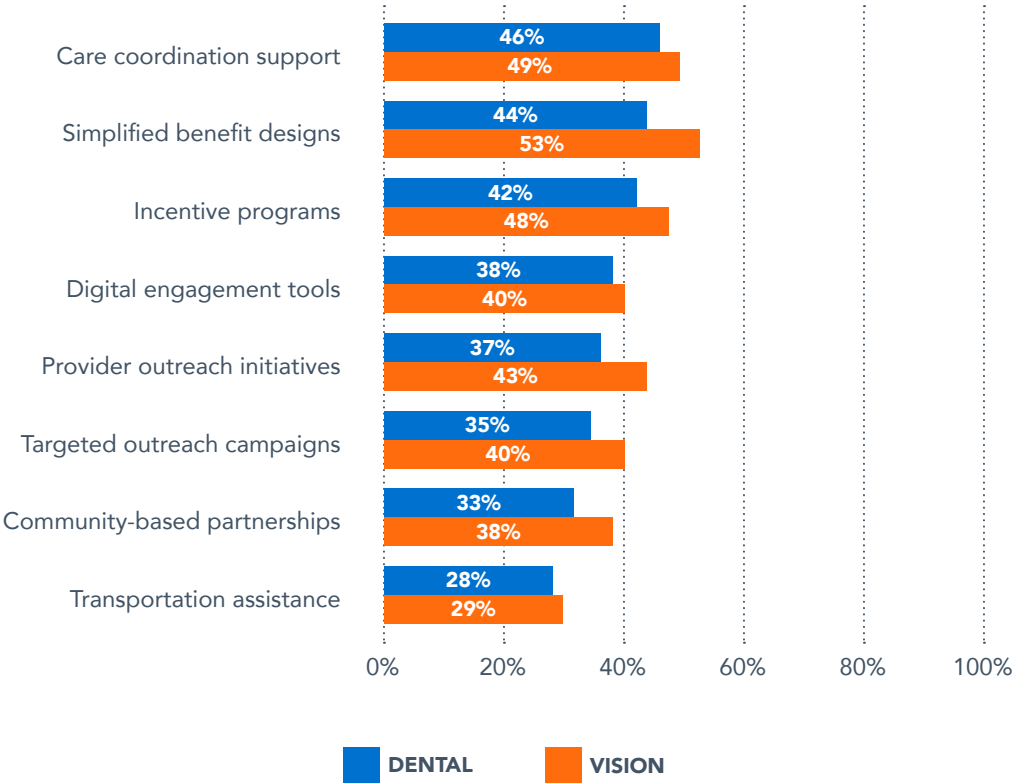
Difficult-to-Engage Populations Are Reshaping Strategy

Despite these investments, some populations remain significantly harder to engage, with respondents identifying rural communities, low-income commercial members, and senior populations among the greatest challenges; 79% of dental payers and 86% of vision payers said the need to engage these populations has at least a moderate influence on organizational strategy.



Payers identified care coordination support, simplified benefit designs, and incentive programs as among the most effective approaches for helping these populations access and use their benefits more effectively.

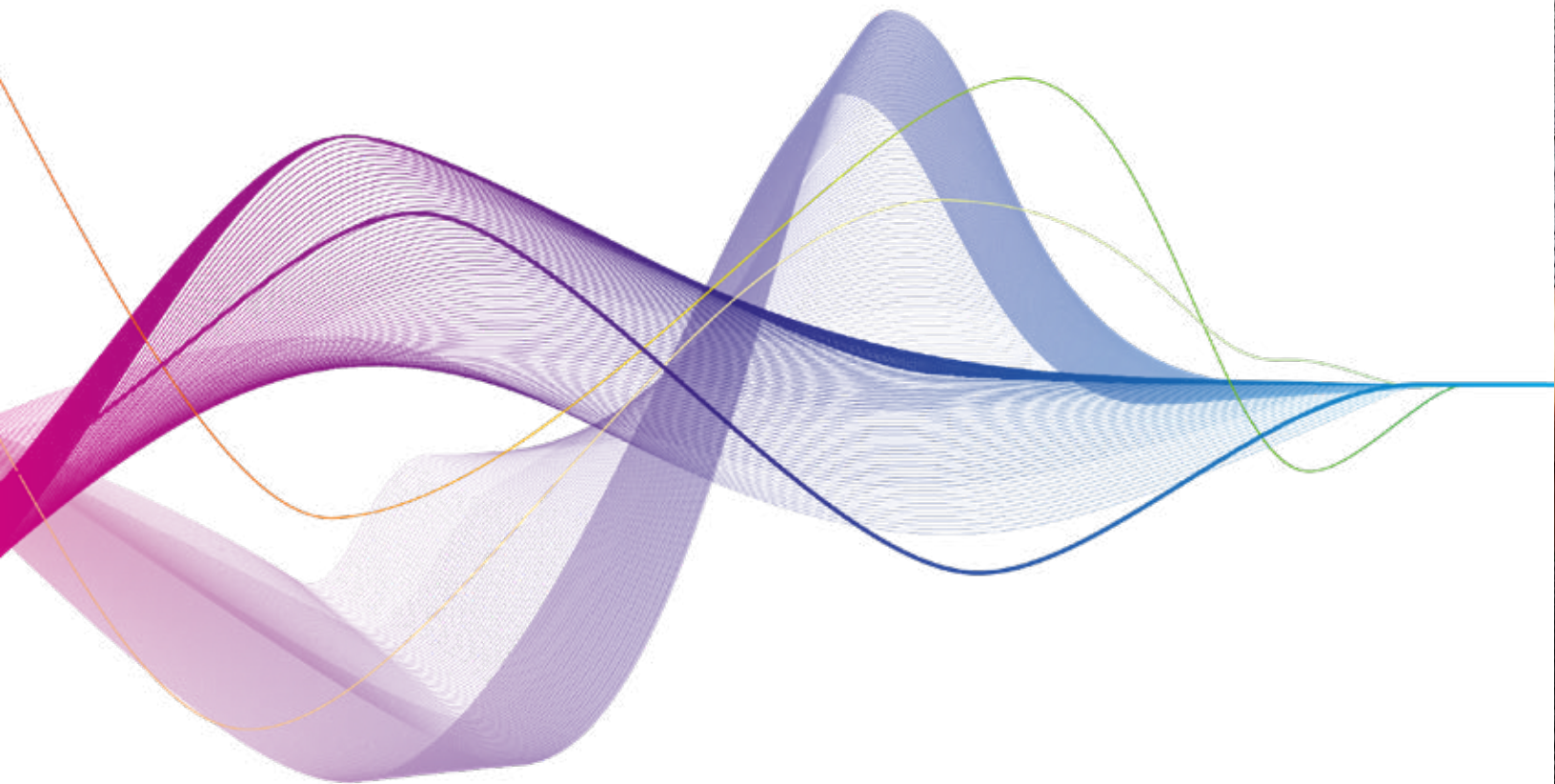
EFFECTIVE STRATEGIES IN ENGAGING DIFFICULT-TO-ENGAGE POPULATIONS



The Next Stage of Member Engagement Is Reducing Friction

The future opportunity in member engagement lies in treating engagement less as a communications function and more as an experience strategy. The findings suggest that payers have a clear understanding of what they want engagement to achieve: lower avoidable costs, higher preventive care utilization, better member experiences, and more connected care. But achieving those outcomes will require reducing the complexity that keeps members from understanding, accessing, and using their benefits. Benefit design, claims speed, digital usability, care coordination, and personalized communication all become part of the engagement equation.

For payers, the next stage of member engagement may depend on how effectively they can turn strategic priorities into simpler, more connected experiences. That includes making benefits easier to understand, reducing administrative friction, expanding support for difficult-to-engage populations, and continuing to advance medical, dental, and vision integration in ways that are supported by connected data, aligned workflows, and coordinated care models. Payers that can reduce barriers across the member journey will be better positioned to improve engagement, influence behavior, and deliver stronger clinical and financial outcomes.





Provider Experience & Network Strategy

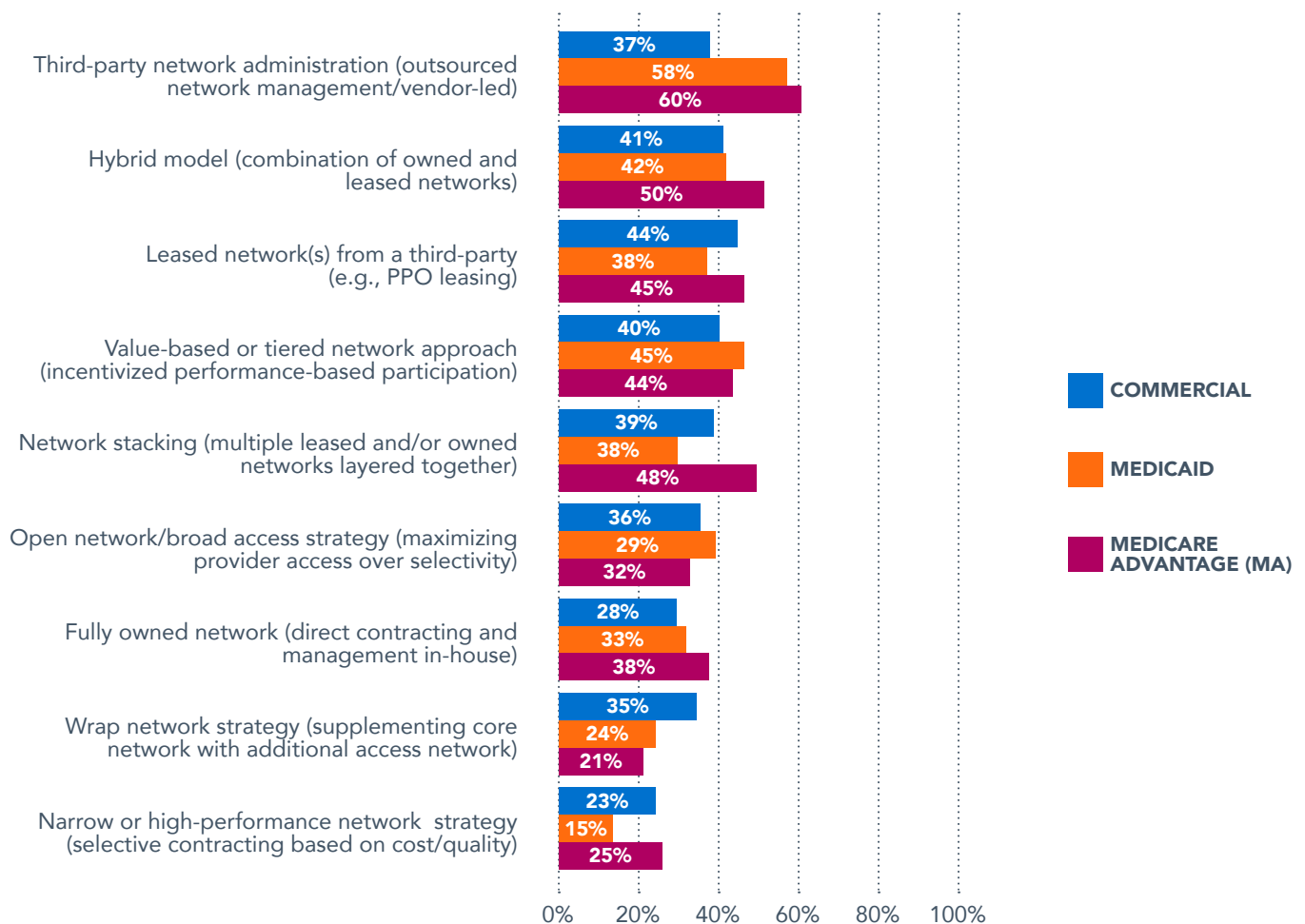
Provider networks are generally considered one of the most important strategic assets for dental and vision payers. While most respondents view their networks as a competitive strength, maintaining that advantage requires more than competitive reimbursement or contracting strategies. Increasingly, provider experience including administrative simplicity, communication, operational efficiency, and ease of doing business is shaping how payers attract, retain, and engage providers.

Network Strength Raises Questions About Differentiation

Most respondents expressed confidence in their provider networks. Overall, 71% of dental payers and 66% of vision payers rated their networks as stronger than those of their competitors, suggesting that many view network strength as an important competitive advantage.

Yet the strategies payers use to build and manage those networks suggest a more complex story. Fully owned networks are not the dominant model.

PROVIDER NETWORK STRATEGIES



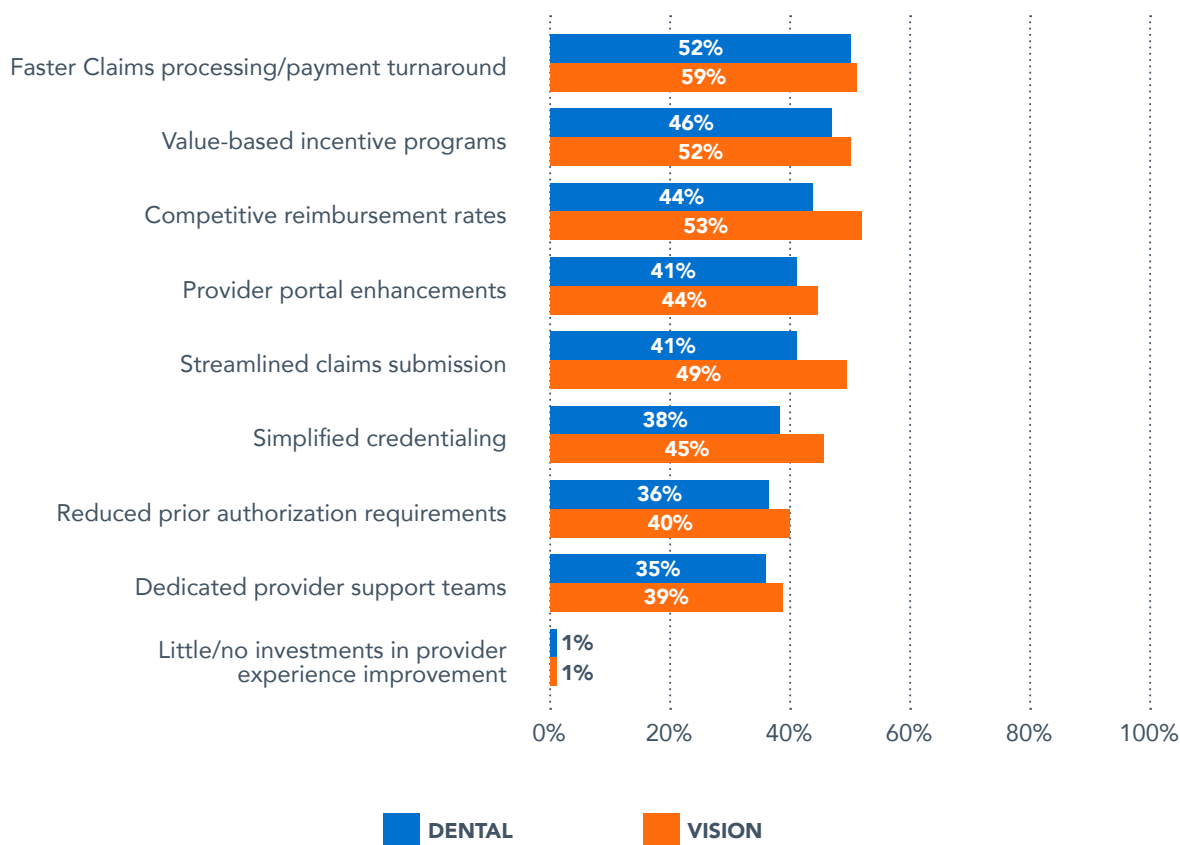
That mix raises an important question: if network strength is a key competitive advantage, where does meaningful differentiation come from when many networks are shared, leased, externally administered, or layered with other arrangements? These approaches can help payers expand access, manage costs, and scale more quickly, but they also make provider experience, data accuracy, operational accountability, and performance-based network strategy more important sources of differentiation.

Provider Experience Is Central to Network Stability

Payers identified claims processing speed as the leading driver of provider satisfaction (48% dental; 53% vision), followed by administrative simplicity (38% dental; 42% vision). These priorities align closely with the leading causes of provider attrition: administrative complexity, followed by gaps in provider engagement and support models. In response, payers are investing in provider experience initiatives focused on faster claims processing, broader administrative improvements, and reimbursement strategies that include value-based incentive programs and competitive reimbursement rates.



INVESTMENT IN PROVIDER EXPERIENCE



Value-Based Reimbursement Remains an Unfinished Opportunity

The emphasis on reimbursement strategies points to a broader provider engagement opportunity. Value-based incentive programs are widely discussed across dental and vision benefits, but without a consistent definition, many remain more aspirational than operational.

That gap is notable because both payers and providers see potential. According to the **2025 SKYGEN Pulse Report: Provider Perspectives**, more than 8 in 10 dental providers said value-based care would add value to their practice, while payer comments framed these models as a path to better outcomes, expanded preventive care, lower long-term costs, and stronger provider engagement through data sharing, accountability, and incentives.

To move from interest to execution, the industry may need a clearer shared framework around definitions, measures, data requirements, incentives, and operational expectations.

Perspectives from the Field:

[The biggest risk the industry is facing is] “Not adapting fast enough to value based care ...leading to higher costs and weaker provider and member engagement.”

Provider Engagement Still Faces Operational Friction

Open-ended responses provide a clearer view of where provider engagement challenges persist today. Across comments, payers most often described those challenges through operational friction, including slow communication, inconsistent processes, incomplete documentation, billing disputes, corrected claims, prior authorization complexity, and fragmented data exchange. These barriers make payer-provider collaboration harder than it needs to be and reinforce that provider engagement depends heavily on the everyday workflows where payers and providers interact.

Respondents also pointed to growing expectations for more digitally connected provider relationships. Real-time data sharing, centralized portals, automated workflows, clearer eligibility and claims visibility, and more standardized documentation practices were all identified as opportunities to reduce manual effort and improve transparency. Taken together, the comments suggest that stronger provider engagement will require payers to move beyond reactive issue resolution toward a more efficient, accountable, and collaborative operating model.

Perspectives from the Field:

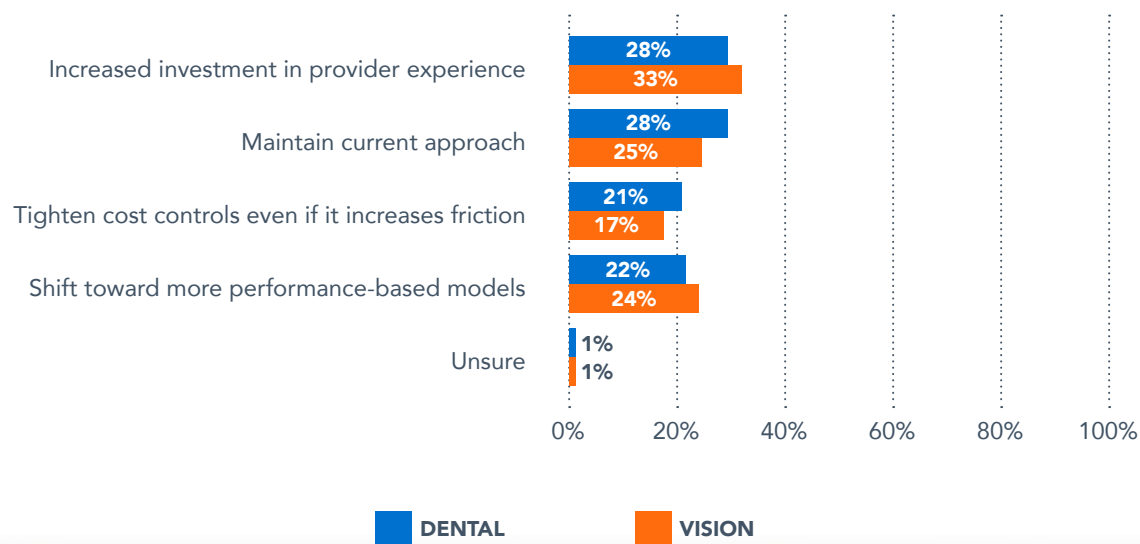
"In my view, cutting down administrative complexity would go a long way as providers are frustrated with inefficient and manual-heavy processes."



The Future Direction of Provider Experience Remains Unsettled

Although payers clearly recognize the importance of provider experience, responses were closely distributed when asked how their strategies will evolve. Most indicated they are likely to either increase investment or maintain their current approach, while others expect to shift toward more performance-based models. A smaller group may consider tighter cost controls even if doing so increases provider friction. Together, these findings suggest that provider experience remains an important strategic consideration as payers balance provider relationships, operational efficiency, and financial performance.

FUTURE APPROACH TO PROVIDER EXPERIENCE



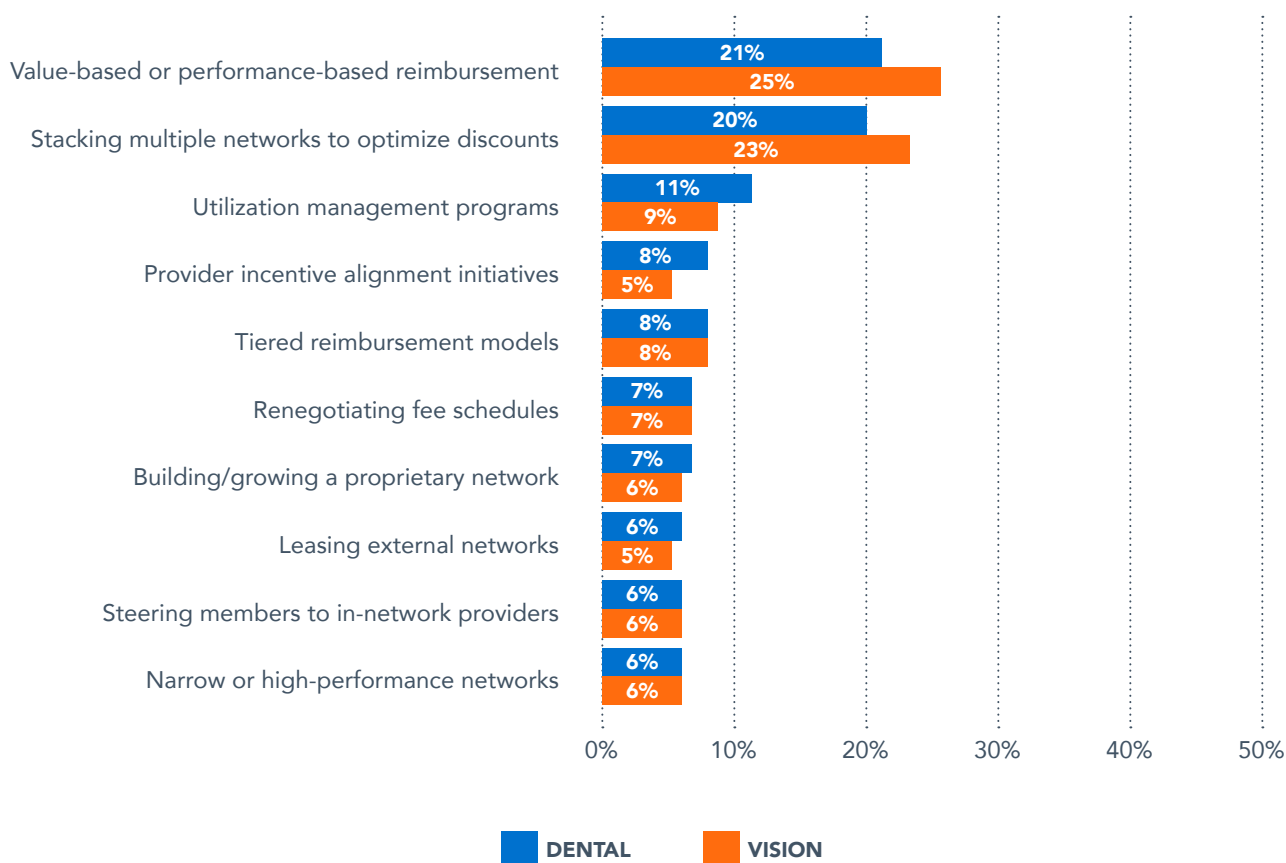
Cost Management and Provider Experience Must Be Balanced

While improving provider experience remains a priority, payers continue to manage cost and utilization across their networks. Respondents reported using complementary approaches and value-based or performance-based reimbursement models (43% dental; 49% vision).



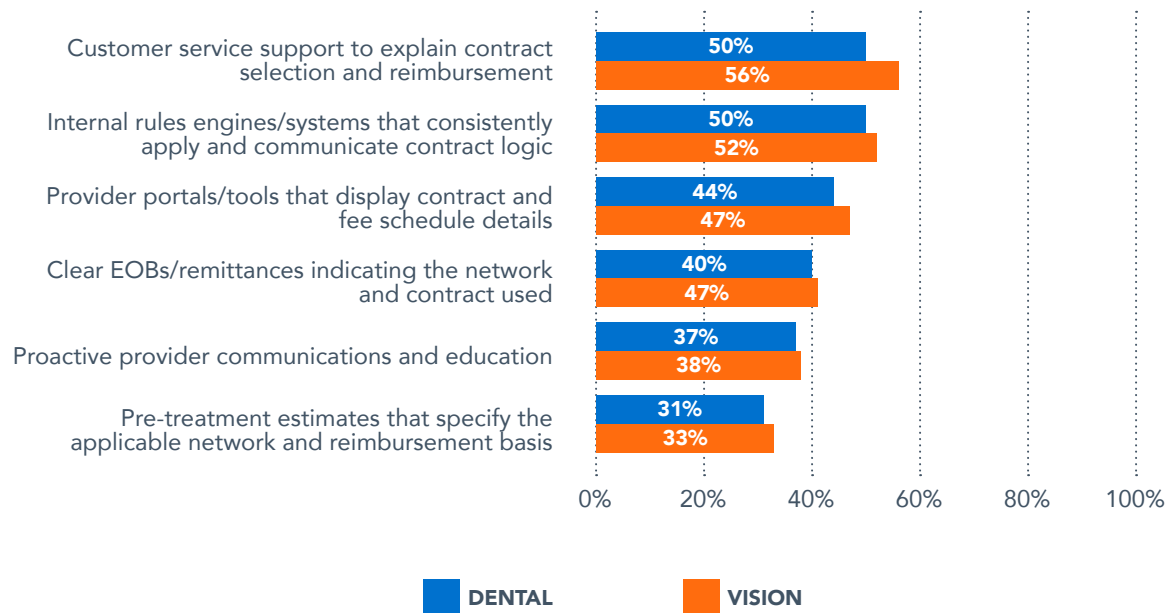
When asked which strategy delivers the greatest impact on cost control, respondents most frequently selected value-based or performance-based reimbursement, followed closely by network stacking strategies.

MOST IMPACTFUL STRATEGY IN COST CONTROL



These approaches can support financial performance, but they also require careful execution. Network stacking and other shared or layered network models can create confusion for providers when it is not clear which contract, fee schedule, or reimbursement arrangement has been applied. In some cases, payers report addressing that need for clarity through customer support, provider portals, or other provider-initiated actions.

METHODS TO ENSURE PROVIDER CLARITY ON CONTRACTS & PAYMENT SCHEDULES



That creates an opportunity for an important balance for payer leaders. Cost-management strategies may be most sustainable when they are paired with clear reimbursement transparency, proactive communication, and administrative processes that do not shift additional burden back to providers. Without that transparency, strategies designed to improve cost performance may unintentionally work against provider experience goals by adding complexity to the reimbursement process.

The Next Stage of Provider Engagement Is Strategic Alignment

The future opportunity in provider engagement lies in aligning network strategy, reimbursement strategy, and provider experience more intentionally. As payers rely on shared, leased, and layered network models, differentiation will depend less on network access alone and more on how clearly and consistently payers support the providers within those networks. Faster claims processing, administrative simplicity, reimbursement transparency, and digitally connected workflows all become central to building stronger provider relationships.

For payer leaders, the next stage of provider engagement will require balancing cost management with clarity, collaboration, and shared accountability. That includes making eligibility, claims, contracts, fee schedules, and reimbursement logic easier to understand, while also creating a clearer framework for value-based models that providers can realistically adopt. Payers that reduce operational friction and align incentives around measurable outcomes will be better positioned to strengthen provider satisfaction, reduce attrition, and make provider experience a more meaningful source of network differentiation.

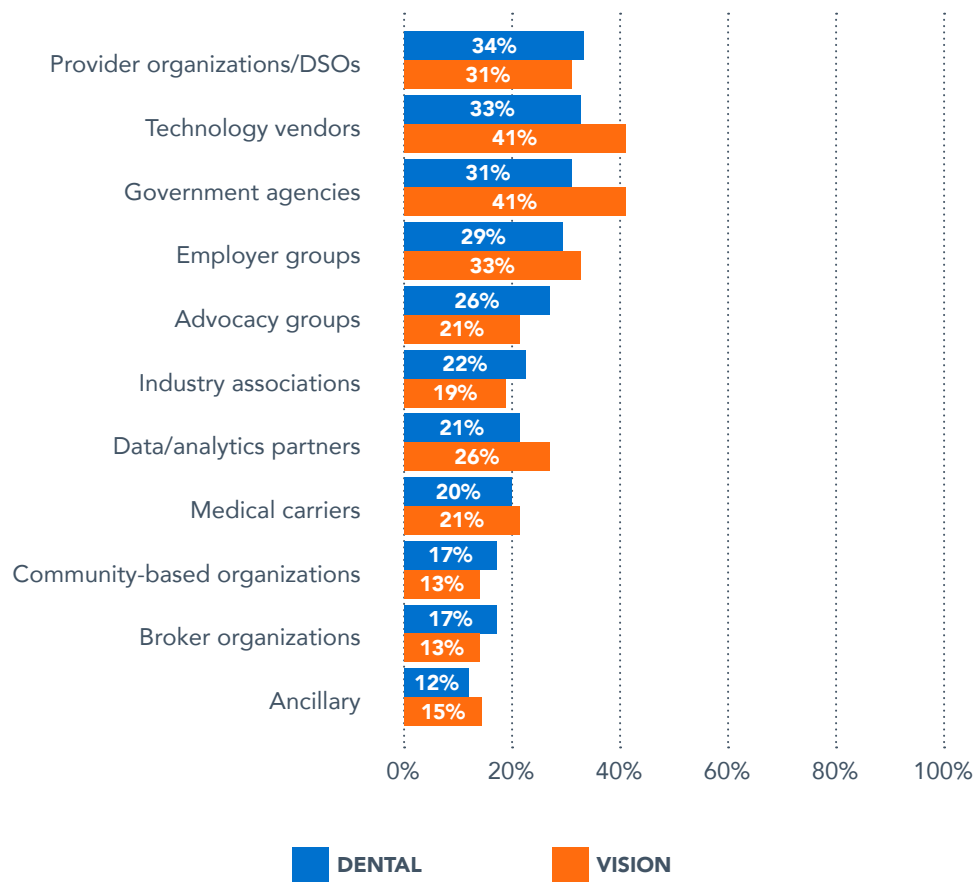
Strategic Partnerships & Collaboration

As payer priorities become more complex, dental and vision payers are relying on external ecosystems to extend capabilities, scale operations, and bring specialized expertise into the business. These relationships are not replacing core payer functions; they are helping payers determine where outside support can accelerate progress and where internal control remains strategically important.

Partnerships Are a Strategic Capability

Partnerships are now a core component of payer strategy, with nearly all dental and vision payers reporting active initiatives and many already scaling successful programs across the enterprise. Across both dental and vision, provider organizations, technology vendors, and government agencies were among the most frequently identified strategic partners, reflecting the growing importance of external expertise, technology support, regulatory collaboration, and provider relationships.

MOST IMPORTANT PARTNERSHIPS TO VISION AND/OR DENTAL STRATEGY
Among those prioritizing “several” partnerships or “a mix”

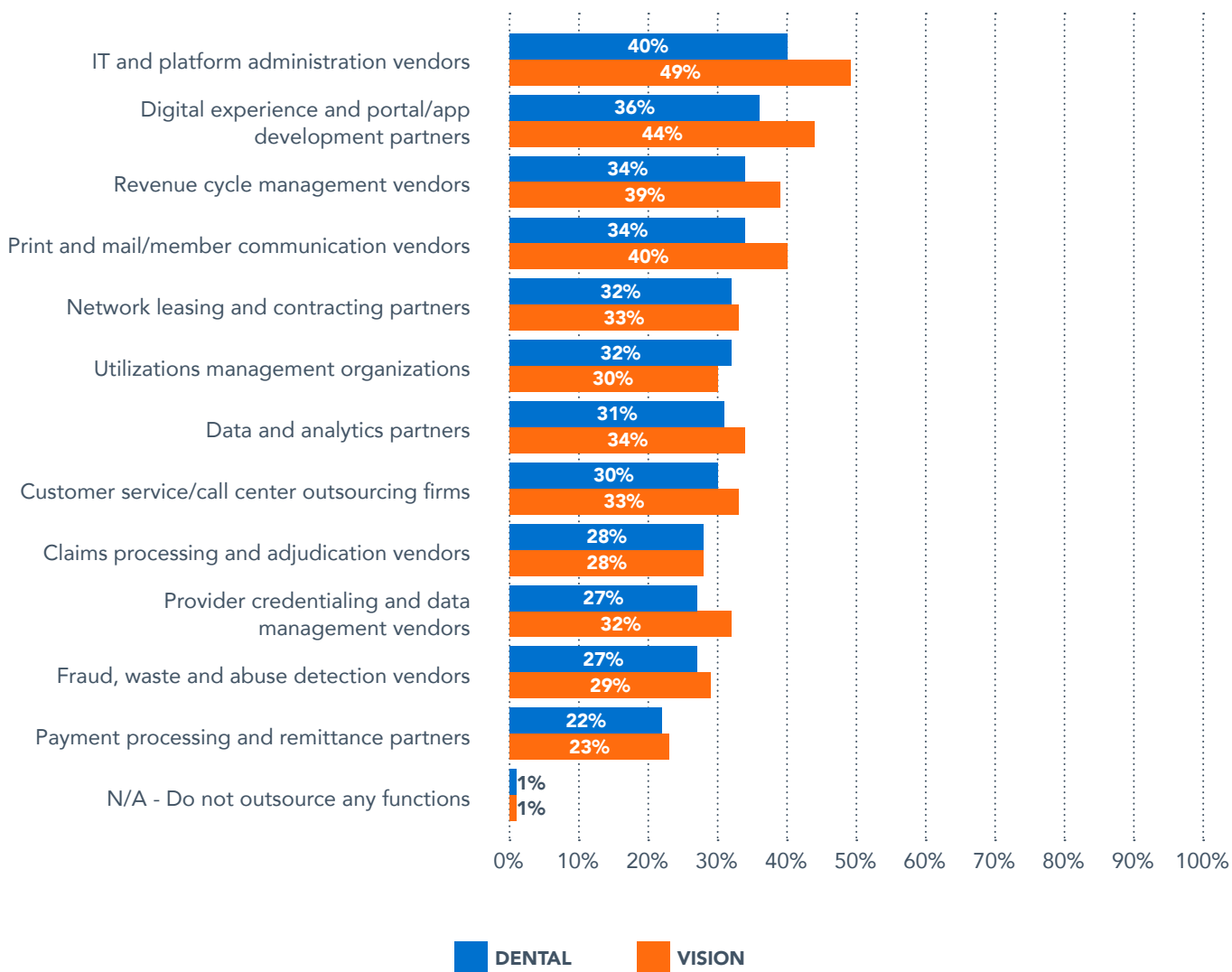


Technology Vendors Are Expanding the Partner Ecosystem



Technology vendors play an important role within this broader ecosystem. Among outsourced functions, IT and platform administration vendors were identified as the most important partners followed by digital experience and application development partners.

KEY PARTNERS SUPPORTING OUTSOURCED FUNCTIONS



Rather than serving only as operational support, technology vendors provide specialized capabilities that help payers scale digital experiences, support platform administration, and strengthen execution.

Hybrid Operating Models Are the Norm

External relationships are increasingly important and fewer functions appear to be managed entirely in-house. Instead, most payers report using a mix of internal capabilities and outsourced support across areas such as analytics and reporting, claims processing, credentialing, and administrative operations. Member communications and network development stand out as more heavily outsourced functions, suggesting that payers are especially likely to rely on external partners in areas that require scale, specialized support, or direct stakeholder engagement.

DENTAL OUTSOURCED VS. IN-HOUSE FUNCTIONS

Functions	Fully In-house	Mostly In-house	Balanced	Mostly Outsourced	Fully Outsourced
Customer Service / Call Center	5%	19%	22%	25%	28%
Print & Mail / Member Communications	10%	21%	17%	37%	15%
Network Development & Contracting	12%	29%	20%	27%	12%
Revenue Cycle Management	10%	30%	34%	18%	8%
IT / Platform Administration	12%	28%	37%	16%	7%
Analytics & Reporting	13%	42%	26%	12%	7%
Digital Experience	12%	31%	32%	19%	7%
Credentialing & Provider Data Management	12%	25%	45%	12%	7%
Claims Processing & Adjudication	12%	35%	31%	15%	7%
Utilization Management	27%	27%	22%	17%	6%

VISION OUTSOURCED VS. IN-HOUSE FUNCTIONS

Functions	Fully In-house	Mostly In-house	Balanced	Mostly Outsourced	Fully Outsourced
Customer Service / Call Center	3%	18%	25%	24%	31%
Print & Mail / Member Communications	9%	18%	18%	42%	13%
Network Development & Contracting	11%	29%	26%	24%	10%
IT / Platform Administration	11%	27%	43%	15%	5%
Analytics & Reporting	12%	48%	26%	10%	4%
Revenue Cycle Management	8%	32%	41%	16%	4%
Digital Experience	9%	31%	39%	18%	4%
Credentialing & Provider Data Management	10%	25%	49%	12%	3%
Claims Processing & Adjudication	13%	41%	34%	10%	3%
Utilization Management	31%	30%	25%	12%	2%

The Next Stage of Partnership Strategy Is Capability Alignment

The future opportunity in strategic partnerships lies in using external relationships more intentionally to strengthen the capabilities payers need most. As dental and vision payers balance growth, modernization, administrative performance, provider engagement, and member experience, partnerships can help extend capacity and accelerate progress in areas where specialized expertise, technology infrastructure, or operational scale are difficult to build quickly or manage in-house.

For payer leaders, the next stage of partnership strategy may depend on clearer alignment between what remains core to the business and where external partners can deliver the greatest value. Technology vendors, provider organizations, government agencies, and outsourced service partners are becoming part of a broader operating model that supports innovation, execution, and stakeholder engagement. Payers that can manage this ecosystem strategically will be better positioned to scale capabilities, improve operational performance, and adapt as market expectations continue to evolve.



Technology, Innovation and the Future of Specialty Benefits

Technology is becoming central to how dental and vision payers modernize operations, improve stakeholder experiences, and prepare for future growth. Open-ended responses show that payers see significant opportunity in digital transformation, AI, automation, advanced analytics, and integrated systems. Respondents most often connected these technologies to practical business needs, including streamlining claims processing, reducing manual work, improving fraud detection, strengthening customer service, improving profitability and lowering administrative costs. These findings suggest that payers view operational modernization as a path to both greater efficiency and stronger competitive differentiation.

At the same time, respondents also pointed to broader opportunities for growth and value creation. Many identified the potential to expand into new markets, develop more personalized plans, improve access for underserved populations, strengthen preventive care, and connect dental and vision benefits more clearly to overall health. Together, these responses suggest that payers see the next several years as an opportunity to move beyond traditional benefit administration toward more data-driven, personalized, and outcomes-oriented models.

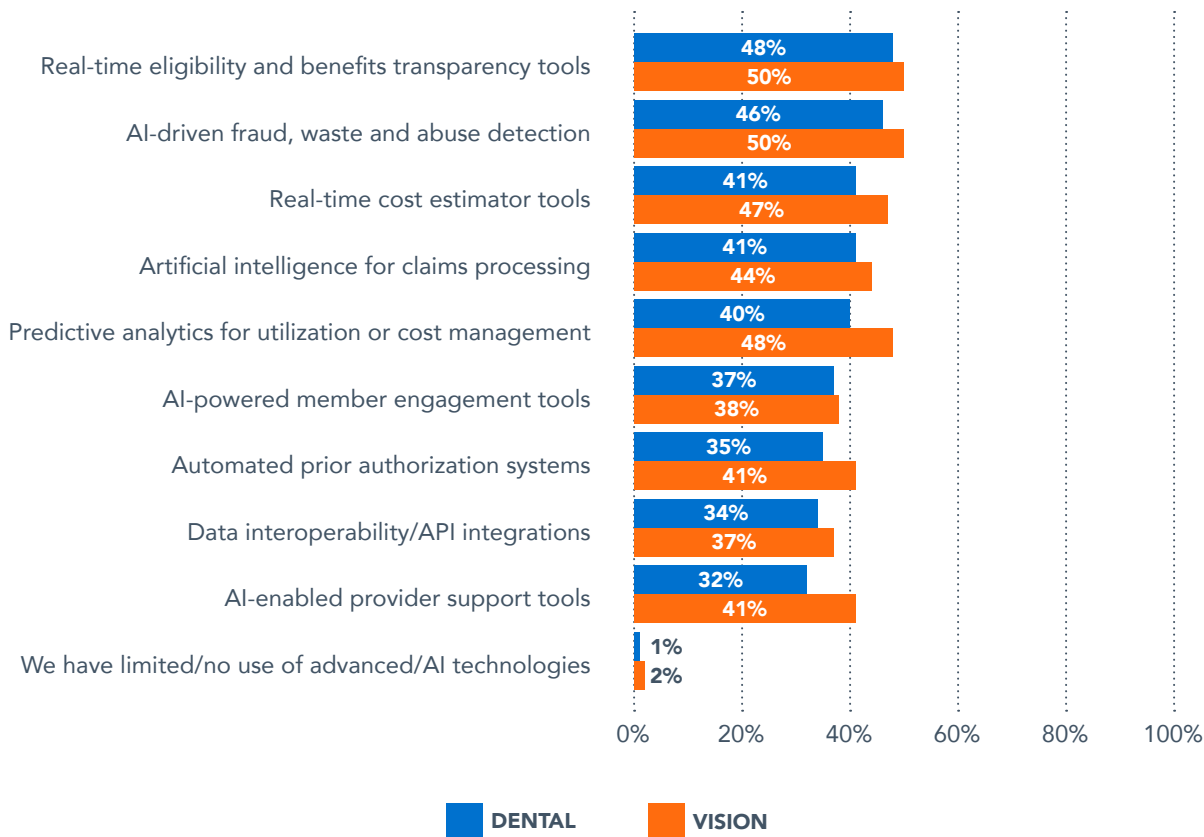
AI Has Become a Core Operational Capability

Artificial intelligence and advanced technologies are frequently embedded across payer operations. Respondents reported deploying AI and automation primarily to improve operational efficiency, reduce administrative burden, and increase transparency, reinforcing the role of technology in simplifying complex administrative processes while improving performance.

Perspectives from the Field:

“The biggest opportunity is using AI and automation to improve operational efficiency and reduce administrative costs.”

ADVANCED TECHNOLOGIES USED TODAY

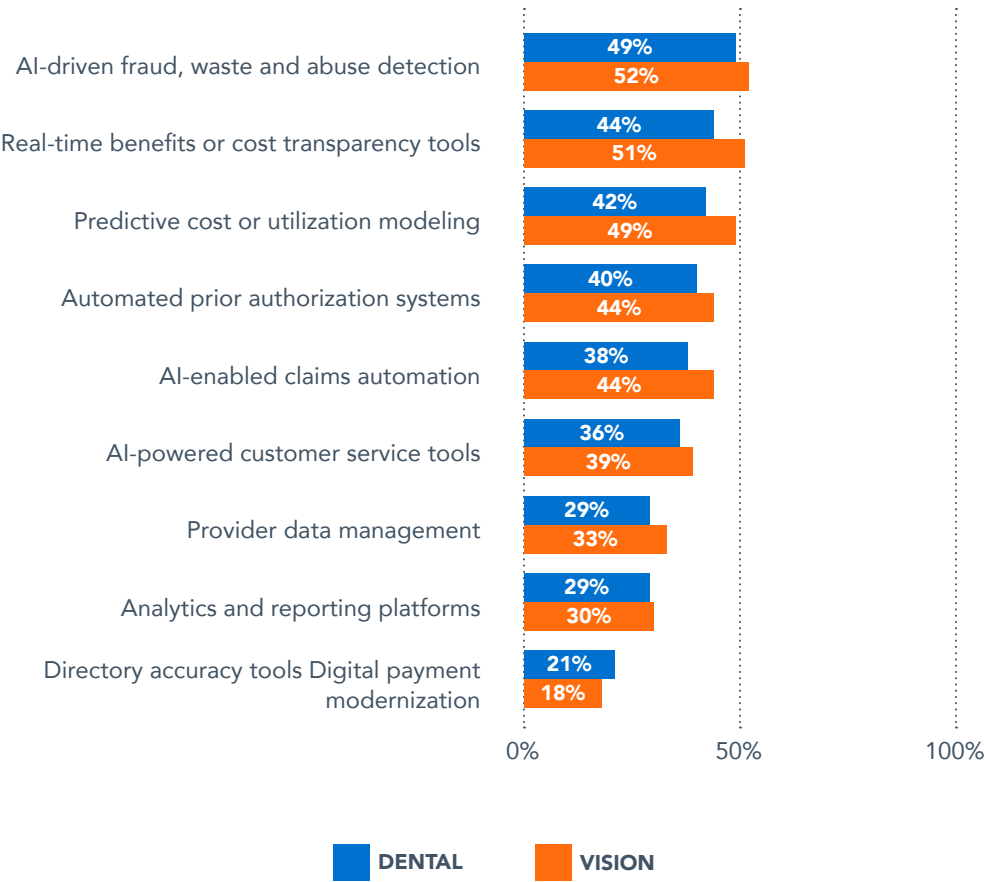


Technology Investments Are Delivering Value and Shaping Future Priorities



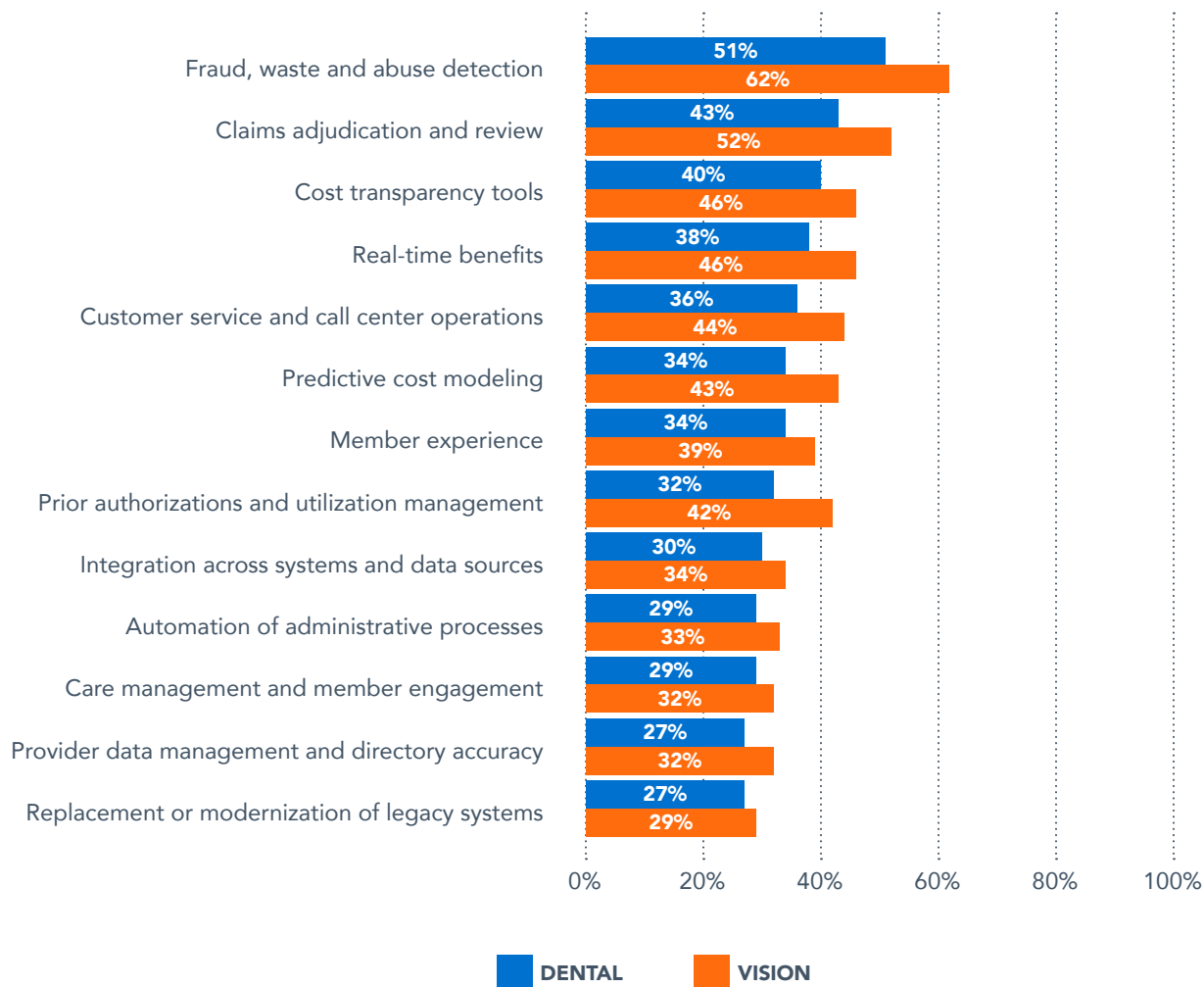
Most payers report that their technology investments are producing measurable returns, signaling that AI and automation are beginning to deliver tangible business outcomes despite ongoing adoption and integration challenges.

TECHNOLOGIES DELIVERING MEANINGFUL ROI



These early successes are shaping where payers expect the greatest future impact. Respondents most frequently identified fraud, waste, and abuse detection as the area where AI will deliver the greatest value. More broadly, payers expect these investments to strengthen administrative simplicity, improve transparency, enhance claims accuracy, and support cost and utilization management.

FUTURE IMPACT AREAS FOR AI & ADVANCED TECHNOLOGIES



At the same time, respondents described their approach to innovation as measured rather than disruptive. While 16% of dental payers and 15% of vision payers characterized their organizations as aggressive in their appetite for strategic risk, and 30% of dental payers and 32% of vision payers described themselves as selectively bold, the largest group identified as cautious but opportunistic (38% dental and 39% vision). These findings suggest that payers are pursuing modernization with a disciplined focus on measurable business value rather than technology for its own sake.



Predictive Intelligence Is Reshaping Cost Management

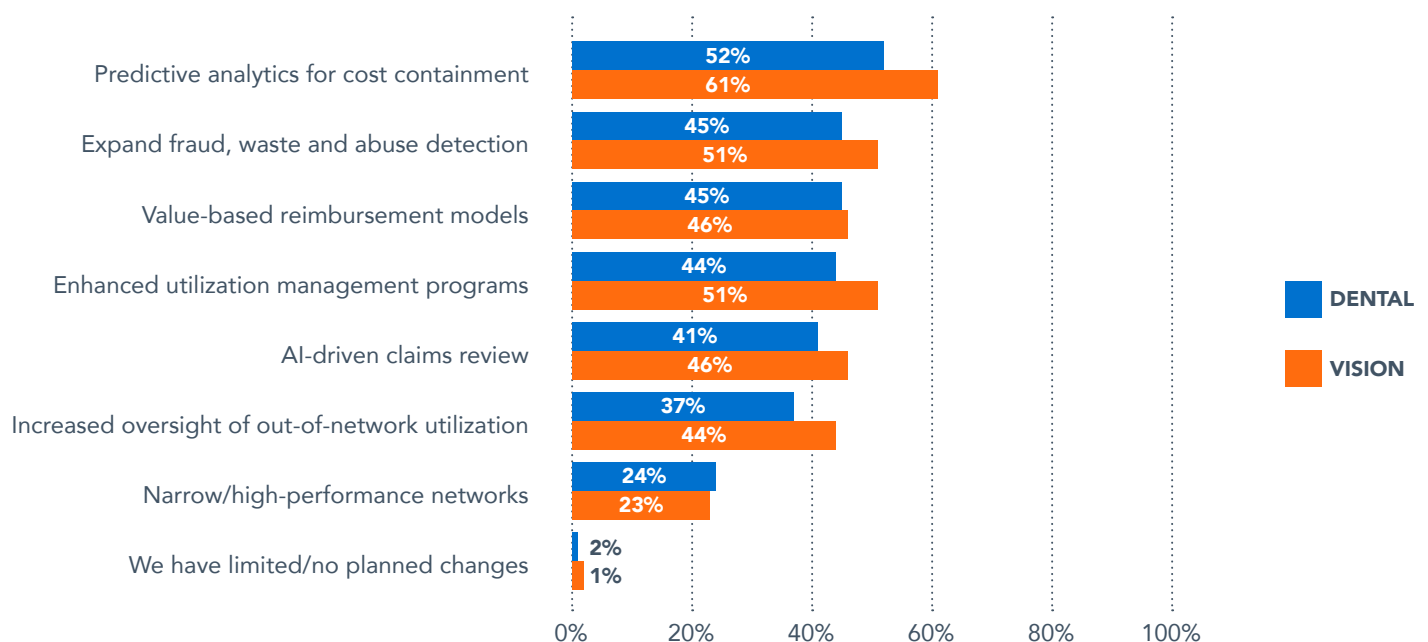
Perspectives from the Field:

"Leveraging advanced analytics and value-based care models to personalize member experiences, improve preventive care outcomes and reduce overall healthcare costs at scale."



Predictive intelligence is central to future cost and utilization management strategies. More than half of respondents anticipate expanding the use of predictive analytics for cost containment. Many also expect to increase investment in fraud, waste, and abuse detection and value-based reimbursement models as part of their long-term approach to managing costs while improving care delivery.

EVOLVING COST & UTILIZATION MANAGEMENT APPROACH



Together, these findings indicate that payers are shifting from reactive cost management toward more proactive, data-driven approaches that identify opportunities earlier, improve decision-making, and better align financial performance with quality outcomes.

Technology Is Enabling Future Growth

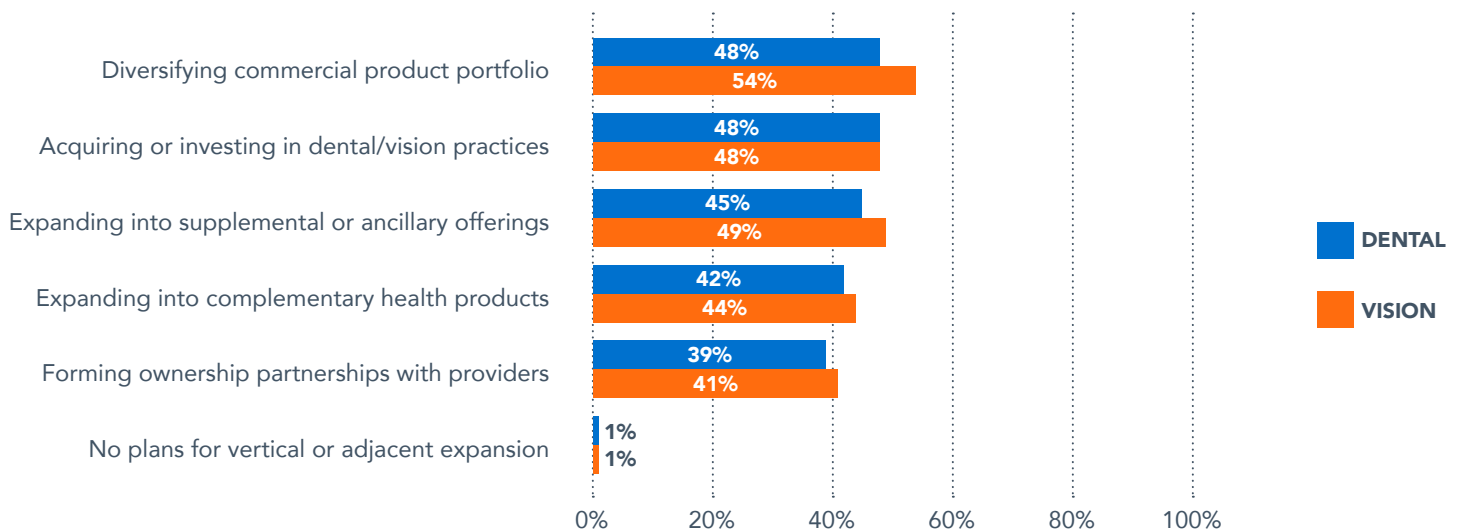
Modernization is also supporting broader growth strategies. As shown earlier in the **Actions Needed to Stay Competitive** chart, payers see competitiveness depending on practical improvements such as simpler administration, stronger provider experience, better member engagement, improved efficiency, and expanded real-time data access. Those execution needs carry directly into payers' five-year priorities, where respondents most frequently identified technology modernization, followed closely by growth through market expansion.

TOP PRIORITIES OVER NEXT FIVE YEARS



Those priorities are reflected in the growth initiatives payers are exploring. Dental and vision payers are considering concrete expansion strategies such as commercial product diversification, adjacent product growth, investment in dental or vision practices, and provider ownership partnerships. Together, the data suggests many organizations are looking beyond traditional benefit administration toward broader roles across the care and benefits ecosystem.

EXPANSION STRATEGIES BEING EXPLORED



But expansion will depend on execution. Future growth will need to be supported by stronger infrastructure, less administrative friction, better digital connectivity, and improved experiences for both providers and members.



Payers are also evolving how they bring products to market. Strengthening employer-based distribution remains a leading priority, reported by 53% of dental payers and 56% of vision payers, while 52% of dental payers and 59% of vision payers plan to expand their presence in the individual market. These findings suggest that payers are pursuing growth not only through broader product portfolios, but also through more diversified distribution channels.

Taken together, technology is no longer a standalone initiative. It has become an enabler of broader strategy supporting modernization, improving performance, strengthening cost management, and creating new growth opportunities. As payers evolve, those best positioned for the future may be the ones that most effectively translate technology investments into measurable business outcomes, stronger stakeholder experiences, and sustainable competitive advantage.

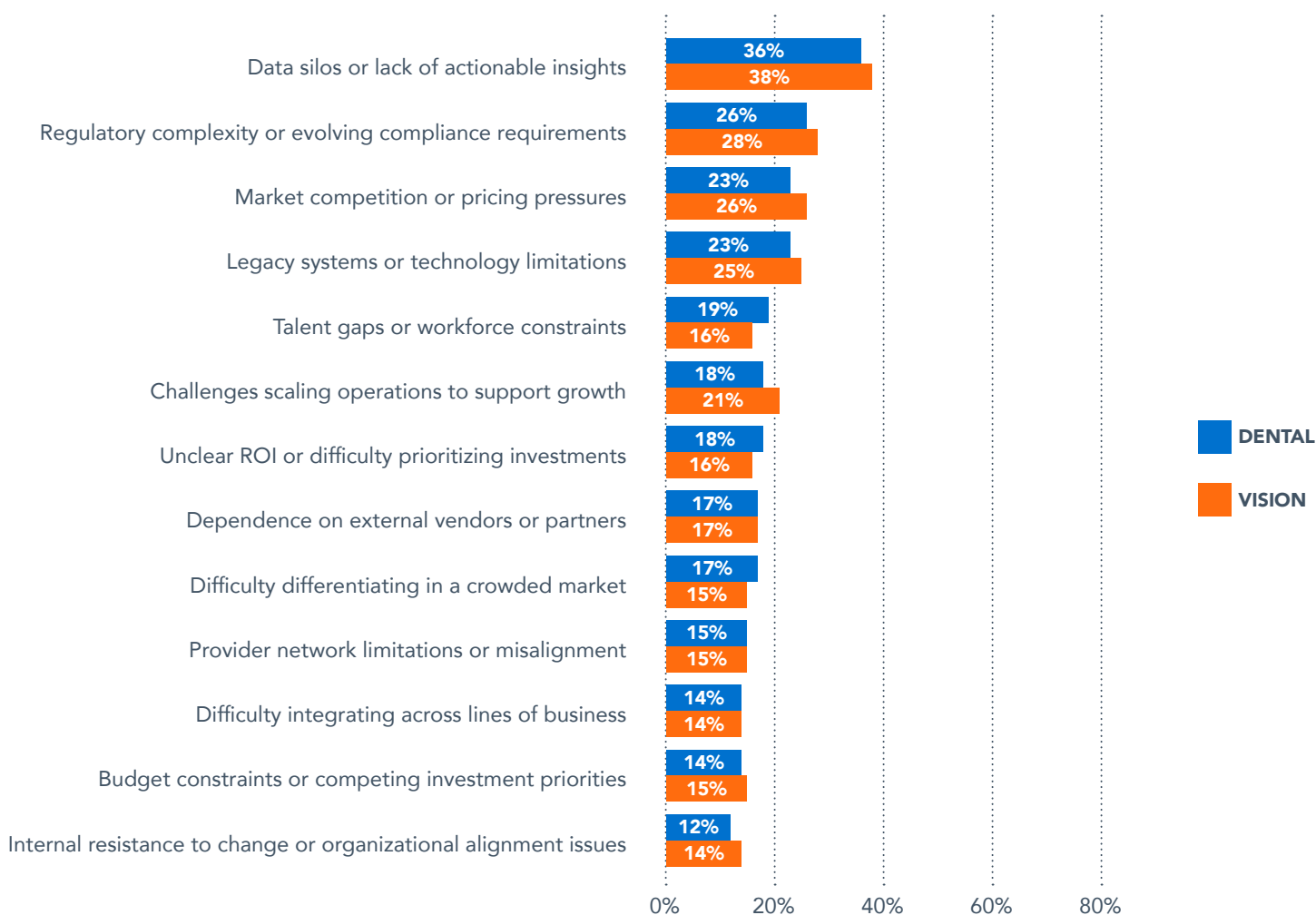
At the same time, technology-driven transformation will not be without challenges. When asked what barriers may shape the next stage of innovation, payers most often cited data silos, regulatory complexity, and market competition, along with a range of other operational and strategic concerns worth monitoring.

Perspectives from the Field:

"Failing to keep pace with rapid technological shifts and rising member experience expectations is a major risk."



CHALLENGES TO ACHIEVING PRIORITIES





An analysis of the open-ended comments showed that **Dental and vision payers see rising cost pressure as one of the most significant risks over the next three to five years.** Respondents repeatedly cited healthcare cost inflation, increasing claims payouts, higher provider reimbursement expectations, employer pressure to control premiums, and aggressive market pricing as threats to affordability and margin stability. These concerns suggest that payers are focused on the difficult balance between maintaining competitive pricing, preserving provider networks, and continuing to offer coverage that members and employers view as valuable.

The responses also point to a broader risk environment shaped by regulation, technology, competition, and trust. Payers are concerned about increasing compliance complexity, cybersecurity threats, data privacy risks, rapid digital transformation, and more agile competitors entering or expanding in the market. Together, these findings suggest that payers are under pressure to modernize operations, protect sensitive data, strengthen digital capabilities, and differentiate their offerings while navigating a more complex and cost-sensitive market.

These challenges reinforce that technology alone will not determine future success. The greatest opportunity may lie in how effectively payers align technology investments with connected data, strong governance, adaptable operations, and clear business priorities.

The Next Stage of Innovation Is Strategic Execution

Dental and vision payers are entering a new era of technology-enabled change. Unlike previous waves of modernization, today's advances in AI, automation, analytics, and connected systems create the potential for faster, broader, and more meaningful transformation across the payer ecosystem. The opportunity is no longer limited to digitizing existing processes. It is to rethink how work gets done, how decisions are made, how risks are identified, and how members, providers, employers, and partners experience the value of dental and vision benefits.

The findings suggest that the greatest value will come from applying these tools to clear business priorities: simplifying operations, reducing administrative burden, improving transparency, strengthening fraud detection, personalizing experiences, supporting preventive care, and creating more connected models across dental, vision, and overall health. In this environment, innovation is not just about having more advanced technology. It is about using that technology to execute better, move faster, and solve problems that have historically been difficult to address at scale.

For payer leaders, the path forward requires ambition balanced with discipline. Rising cost pressure, regulatory complexity, cybersecurity risk, data privacy concerns, and market competition all reinforce the need for technology strategies that are practical, governed, and tied to measurable outcomes. Payers that can align AI and modernization investments with connected data, strong governance, adaptable operations, and clear growth strategies will be better positioned to improve performance, manage risk, and create more differentiated value across the market.

Conclusion



The findings throughout this report point to a dental and vision payer market that is both ambitious and under pressure. Payers are pursuing growth, modernization, stronger engagement, better provider experiences, more strategic partnerships, and greater operational efficiency. At the same time, they are navigating rising costs, regulatory complexity, technology challenges, data limitations, and increasing expectations from members, providers, employers, and partners.

Across these priorities, a common opportunity emerges: the future of specialty benefits will depend on how effectively payers reduce friction and create more connected experiences. Whether through simpler benefit design, faster claims processing, stronger provider communication, integrated care models, smarter use of AI and analytics, or more strategic partner ecosystems, payers have a clear path to strengthen performance while delivering greater value to the people and organizations they serve.

It is also worth ending on a more human note. Reports like this naturally focus on challenges, barriers, and areas for improvement. But when respondents were asked what they enjoy most about working in the industry, their answers pointed back to purpose. Dental and vision payers most often described the satisfaction of doing work that has a meaningful impact on people's lives: helping members access care, improve their health and well-being, better understand their benefits, and feel more confident in their healthcare experience.

Respondents described an industry that is engaging and constantly evolving. They value the problem-solving, innovation, digital transformation, collaboration, and continuous learning required to succeed in a changing healthcare environment. In that sense, the opportunities outlined in this report are not separate from the reasons people find this work rewarding. They are deeply connected to them: improving access, simplifying experiences, strengthening partnerships, and creating better outcomes for members, providers, clients, and communities.



Perspectives from the Field:

"Seeing how our work directly improves access to care and member well-being."

"The fast pace of innovation and constant opportunity to learn."

"Solving real problems that improve members' lives."

"Building solutions that connect care providers and members more seamlessly."

"It's rewarding to design programs that make dental and vision services more affordable."

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Ask questions. Compare perspectives. Uncover insights beyond what made it into the published reports.

Want to learn more from the research? SKYGEN Pulse Explorer is a new interactive way to explore years of SKYGEN Pulse research across consumers, providers, brokers, and payers — including the findings behind this year's payer study.

Each Pulse study contains more data than can fit into a published report. Pulse Explorer gives you access to the broader research behind the reports, helping you dig deeper into findings, explore additional data points, and uncover insights that may not have been highlighted in the final publications.

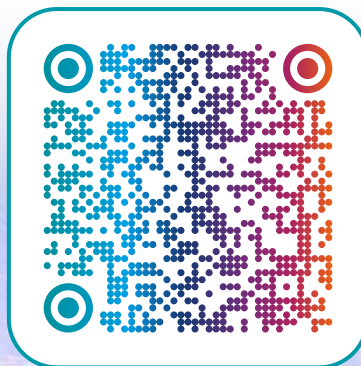
Use plain-language questions to explore the research, compare stakeholder perspectives, examine themes across studies, and look at what different groups are signaling about the future of dental and vision benefits.

You can also explore pre-built audio, video, infographics, reports, and mind maps designed to make the research easier to understand and apply.

And this is just the beginning. SKYGEN Pulse research is conducted annually, and Pulse Explorer will continue to evolve as new studies, findings, and perspectives are added over time.

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Research Methodology





Research Methodology

SKYGEN developed this report in collaboration with Hanover Research. The survey was designed to explore the perspectives of dental and vision payers and TPA partners, with the goal of identifying strategic priorities, operational challenges, and opportunities shaping the future of specialty benefits. The survey was conducted online, and respondents were recruited via a panel. A total of 300 respondents participated, all of whom work full-time in the U.S. and are involved in the strategy, management, administration, or decision-making of dental and/or vision benefit programs. This analysis includes questions segmented by insurance type. Because organizations can fall into both dental and vision categories, these segments are not mutually exclusive. Following data cleaning and quality control, Hanover Research performed statistical analysis with a 95% confidence level using z-tests, with a p-value of less than 0.05, and a margin of error of $\pm 1\%$ for the overall sample.

About SKYGEN

SKYGEN transforms dental and vision benefits management and administration with flexible technology and services that connect and change lives for the better. Through partnerships with payers, providers and government agencies, SKYGEN helps its customers navigate dental and vision benefits management and administration. With its portfolio of third-party administration (TPA), intelligent Software as a Service (SaaS) automation, marketplace connectivity, risk management solutions and above-and-beyond services like Enhanced Benefit Management (EBM), Provider Select Suite platforms, mobile apps and portals, SKYGEN serves nearly 50 million members across all 50 states, more than 40 government and commercial insurers and processes 3 million claims monthly. For more information, please visit **[SKYGENUSA.com](https://www.skygenusa.com)**.

About Hanover Research

Founded in 2003, Hanover Research is a global research and analytics firm that delivers market intelligence through a unique, fixed-fee model to more than 1,000 clients. Headquartered in Arlington, Virginia, Hanover employs high-caliber market researchers, analysts, and account executives to provide a service that is revolutionary in its combination of flexibility and affordability. Hanover has been named a Top 50 Market Research Firm by the American Marketing Association every year since 2015. To learn more about Hanover Research, visit **[hanoverresearch.com](https://www.hanoverresearch.com)**.

Respondent Characteristics



RESPONDENT CHARACTERISTICS

		Dental (n=294)	Vision (n=190)
Age	Under 18	0%	0%
	18 to 24	0%	0%
	25 to 34	14%	13%
	35 to 44	54%	47%
	45 to 54	29%	37%
	55+	2%	3%
Region	Northeast	22%	26%
	Midwest	22%	20%
	South	32%	32%
	West	24%	22%
Organization Type	A commercial insurance company	46%	42%
	A Medicare Advantage plan	35%	38%
	A Medicaid-managed care organization	18%	20%
	A provider organization	0%	0%
	An insurance brokerage firm	0%	0%
Act as a TPA for	Yes	64%	51%
	Health Plans	36%	49%
Insurance Products Worked With	Dental Insurance	100%	97%
	Health Insurance	65%	80%
	Vision Insurance	63%	100%
	Medical/Health Insurance	59%	75%
	Life Insurance	45%	33%
	Property and Casualty Insurance	11%	14%
	Other	6%	9%

RESPONDENT CHARACTERISTICS

		Dental (n=294)	Vision (n=190)
Division/Department	Finance	28%	18%
	Claims & Operations	19%	26%
	Executive/Leadership Team	19%	14%
	Product & Benefit Design	11%	12%
	Analytics/Quality Improvement	6%	10%
	Compliance/Regulatory	7%	9%
	Information Technology	7%	6%
	Provider Network/Credentialing	3%	5%
Job Role	Manager	22%	27%
	President/Vice President	13%	18%
	Director	26%	33%
	Executive/C-Suite	38%	22%



RESPONDENT CHARACTERISTICS

		Dental (n=294)	Vision (n=190)
Role in Strategy/ Management of Benefit Programs at Org	I am the primary decision maker	53%	41%
	I share the decision-making authority	36%	49%
	I participate by giving input/feedback, but have no decision-making authority	11%	11%
Size of Client Orgs (# of employees)	500 or fewer clients	14%	17%
	501 to 1,000 clients	16%	22%
	1,001 to 1,500 clients	37%	26%
	More than 1,500 clients	33%	35%
Primary Geographic Focus	Local (within a single city or metropolitan area)	14%	13%
	Regional (within a specific state or group of neighboring states)	40%	47%
	National (across the entire country)	45%	41%
Org Annual Revenue	\$0 to \$4,999,999	1%	2%
	\$5,000,000 to \$24,999,999	8%	9%
	\$25,000,000 to \$49,999,999	6%	8%
	\$50,000,000 to \$99,999,999	10%	14%
	\$100,000,000 to \$999,999,999	35%	31%
	\$1 billion or more	39%	36%
Years of Experience in Industry	1 year or less	0%	0%
	2 to 5 years	2%	3%
	6 to 10 years	29%	24%
	11 to 15 years	35%	34%
	16 to 20 years	19%	21%
	21 years or more	15%	19%
Org Size	0 to 50 employees	2%	2%
	51 to 250 employees	14%	15%
	251 to 999 employees	25%	32%
	1,000 employees or more	60%	51%



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THE TRUSTED SOLUTION FOR DENTAL & VISION

