

# Oral Health News

A Newsletter from The Center for Oral Health

August 2009

## From The Editor

In this issue of Oral Health News, I'll discuss dental insurance and how to decipher your benefits. I'll also say goodbye to a valued staff member and hello to our newest member.



*Robert A. Hersh DDS*

## NEXT ISSUE:

In the next issue, I will probe the area of oral medicine. This is a relatively new aspect of dental care which examines the prevention, causes and treatments of diseases of the oral tissues. Some of the more common problems will be defined and discussed.

## Dental Insurance Scaling Insurance Obstacles

Closed panel, UCR, non-duplication of benefits, disallowed, disapproved, par, non-par, PPO, DMO, EOB, capitation, Pre-D, LEAT - is it any wonder why patients are often confused about their dental insurance? The terminology is sometimes challenging even to the professionals who work with these terms everyday. Since we have recently begun accepting Delta Dental insurance, an attempt will be made to simplify this rather complicated segment of healthcare compensation.

There is a tendency to view dental insurance as an extension of medical insurance. This notion is actually not a helpful extrapolation, since medical insurance and dental insurance are fundamentally quite different. Medical insurance is designed to protect one from unpredictable, and sometimes catastrophic health events. Dental insurance, in contrast, is based on the premise that most dental disease is avoidable with appropriate preventative care. The problems are rarely catastrophic in degree or in cost. Dental insurance, therefore, is designed to assist covered patients to receive dental treatment by defraying the cost of some or all of the needed care. About 50% of the American population has dental insurance.

Dental reimbursement plans can be divided into two main categories. One type uses a managed care model. The second type uses a fee-for-service model. The managed care type is primarily a system designed to control the costs of dental care by four primary methods:

1. Restriction of the type of care provided.
2. Restriction of the frequency of care provided.
3. Limiting or encouraging access to care by only participating providers.
4. Controlling the level of doctor reimbursement for services with defined fee schedules.

Fee-for-service plans or Direct Reimbursement plans are employer self-funded plans which permit one to have whatever care one chooses and by any clinician one prefers. The only restriction is limited to a maximum amount of coverage per year. In some plans, the patient has to pay for the service and then receives reimbursement from the employer. While this plan type provides the patient maximum choice in connection to the services available and the selection of clinician, there is no capability of restricting cost, making this type of plan less attractive to employers.

Dental managed care plans can be categorized into a number of subdivisions:

1. Preferred Provider Organization (PPO). These programs control which procedures are covered as well as the fees that will be paid to the participating (par) dentist. Many dental PPO's also provide reimbursement to non-participating dentists (non-par), but since the procedure fee is not regulated, the patient typically is obligated to pay the difference between the dentist's fee and the reimbursed fee. Benefit schedules are ostensibly derived from usual, customary and reasonable fees (UCR) in a particular geographic area. There is some question whether or not the derivation of the benefit schedules are really the result of a legitimate scan of local fees or the result of some internally derived mechanism. Once the insurance company has examined the xrays and submitted information, a predetermination of benefits (Pre-D) is made. While this Pre-D is an estimate of what will be paid, it is not a guarantee of payment. The written analysis of reimbursement is called an Explanation of Benefits (EOB).
2. Dental Health Maintenance Organization (Dental HMO). These programs typically use a capitation model, which means that the participating dentist is paid a fixed monthly amount per patient. For this capitation reimbursement, the dentist is obligated to provide all necessary dental care for the patient. Of course, anytime a clinician is rewarded for not providing treatment, there is potential for incomplete or inadequate care. Dental HMOs are typically closed panels, which means that the insured must only go to the contracted facility in order to get any compensated care.

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**Robert A. Hersh, DDS**

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Freehold, NJ 07728

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## Staff Corner

Ever since November 2005, Rosellen has been one of our Registered Dental Hygienists. She has always brought a great deal of sunshine and fun into our office, while performing excellent care for our patients. Sadly, Rosellen has to bid our office adieu, as she has three children and needs to be closer to home. We wish Rosellen the best in all of her future endeavors, and our door will always remain open to her.

On a brighter note, we are thrilled to welcome Danielle into our little "family." Danielle is a Registered Dental Hygienist who comes to us from Bucks County, Pennsylvania. Before becoming a hygienist, Danielle was also a dental assistant and is looking forward to providing excellent care to our patients.

As always, Josephine remains a key member of our hygiene staff, and is happy to assist you in all of your dental care needs.

### *Insurance continued.*

Some other terms which may be helpful to understand are the following:

1. Non-duplication of benefits. When a patient has double insurance coverage because both wife and husband have coverage, insurance of the respective spouse routinely becomes the primary insurance, while the other spouse's insurance becomes the secondary carrier. One would presume that after the primary carrier has paid the contract limit, the secondary carrier will kick in. The concept of non-duplication of benefits states that the secondary carrier is not obligated to pay any amount equal to what the secondary policy stipulates, if this amount has already been paid by the primary carrier. In other words, the patient may not be eligible for a benefit from the secondary carrier, since this would be a duplication of benefits. This concept is actually a legal insurance scam. If both employers pay for insurance coverage, a reasonable person would believe that both insurance companies should coordinate benefits for legitimate treatment to the limit of the fee charged.
2. Disallowed. This term refers to an insurance determination whereby the insurance company will not pay for the procedure and the PAR dentist cannot charge for the procedure.
3. Disapproved. This term refers to a determination whereby the patient, not the insurance company will be responsible for the dentist's charge for a procedure.
4. LEAT (least expensive alternative treatment). This is a contract stipulation whereby the insurance plan will provide benefits for a particular service based on the least expensive dental option. For example, if a patient has a missing tooth, the replacement can be treated with an implant, a fixed bridge or a removable denture. Since the removable denture is the least expensive treatment option, this is the service which will be used as the basis for benefit reimbursement.

Insurance can be confusing and dental insurance is no exception. But a careful analysis can usually determine the best approach to the plan utilization. It is, therefore, incumbent on a patient to know what coverage there is prior to beginning treatment in order to understand their responsibilities. Please don't hesitate to call us if you have any questions or problems.

**The Center for Oral Health** provides a number of specialized services. **Periodontal Therapy** deals with the prevention, diagnosis and treatment of diseases of the gums and supporting bone. **Dental Implants** involve the

placement of titanium anchors into the jaw to replace missing teeth. **Oral Medicine** is the diagnosis and treatment of conditions of the mouth and surrounding structures which have a medical link.

**Have a question? Email us at [oralhealth@optonline.net](mailto:oralhealth@optonline.net)**