PROFESSIONAL ISSUES

Dental Benefits Issues and New Dentists

Burton Conrod, DDS

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New graduates about to enter dental practice in Canada should be aware of the three factors largely responsible for improving the oral health of Canadians over the last 25 years, namely the use of systemic and topical fluoride, access to preventive dental care and the existence of dental benefit plans.

Dentists learn about fluoride and preventive dental care in dental school. What they learn about dental benefit plans, however, they learn over time, through practice experience. The way in which a dentist deals with dental benefits issues can affect patient care, patients' perception of treatment and treatment planning, and, by extension, their impression of the entire profession. CDA has provided Canadian dentists with the tools to deal with dental benefits plans. The standard dental claim form, the Universal System of Codes and List of Services (USC&LS), and CDAnet, the electronic claims processing system, ensure that most third-party transactions are uniform and follow protocols designed by the profession. It is important for new dentists to seek all the information available on dental benefit plans from CDA and their provincial dental association in order to be well informed when they begin practicing.

Dental benefit plans started in the '60s and grew in the '70s, when wage and price controls dictated the use of tax-free benefits instead of salary increases as a means of motivating and compensating employees. Dental benefits coverage was expanded recently when the federal government decided to allow unincorporated small businesses to provide tax-exempt dental benefits to their employees. Over the years, dental benefit plans have evolved into a partnership between government, business, employees, the benefits industry and dentistry, resulting in a very effective, privately funded oral health care system.

Dental benefit plans have many positive effects. Recent statistics show that people with benefit coverage are more likely to visit the dentist. In fact, 83% of those with dental plans see their dentist at least once a year, compared to only 60% of those without coverage. Dental benefit plans promote access to regular preventive care. Over 50% of people with plans have all their natural teeth, compared to only 40% of those without coverage. Increased benefits coverage has resulted in a dramatic decline in dental disease. Preventive services are now more common than restorative services. For employers, this means that employees are in better health. Work time lost for dental emergencies is significant, and a great deal of dental disease can be prevented by regular preventive care. For the government, it means that Medicare costs for dental emergency services should decrease as dental coverage expands. As for dentistry, it means a steady increase in the demand for dental services.

It is very important that everyone involved have reasonable expectations of benefit plans. Dentists and patients alike should be clear on one point — *dental plans exist solely to help patients pay for the cost of dental care and to maintain their oral health through regular preventive care.*

Dental Benefit Plan Design

CDA has developed a document entitled *Ten Guiding Principles Every Dentist Should Know Before Talking to Patients About Managed Dental Care* that explains how dentists should deal with dental benefit plans. One of the most important principles for new dentists to understand is the right of patients to choose their dentist. Plans that restrict the patient to

receiving care from a list of dentists violate this principle. The result is often incompatibility between the patient and the plan dentist, and the creation of an environment where the patient is uncomfortable and therefore less likely to access needed care. We know that a significant element of trust is required to achieve a proper dentist-patient relationship where the patient is an active participant in treatment planning — and thus more likely to follow treatment and home care recommendations.

Another important principle states that treatment plans must be based on patients' oral health needs and not on their level of benefit coverage. Plans cannot be expected to cover every dental service required; patients should be responsible for some of the cost. Dentists must also take steps to maintain the public perception of their primacy in the planning and delivery of oral health care. Treatment plans are developed following diagnosis of the patient's oral health and in consultation with the patient, not the plan administrator. Only a dentist has the training, skill and expertise to provide a comprehensive diagnosis of oral health and to advise on appropriate treatment and care.

CDA's guiding principles define managed care as a system of third-party dental plans where at least one of two unacceptable conditions exist. The first is when plans remove patients' freedom to choose their dentist; capitation schemes, preferred provider organization (PPO) plans and dental health maintenance organization (DHMO) plans fall in this category. The second unacceptable plan structure crosses the line from cost control into treatment control and interferes with the dentist-patient relationship. Cost control becomes treatment control when, for example, you are encouraged to administer topical antibiotics to all your patients or to place a removable prosthesis where a fixed one is clearly indicated.

The good news is that in order to be successful, managed care plans must sign up dentists, and so far, Canadian dentists have not been very keen to participate. Before signing any third-party agreement, read all the information available from the plan and consult CDA's Practice Management Support Services department, your lawyer and your accountant. Every time a dentist agrees to participate in a dental plan that removes patients' right to choose their dentist, or the dentist's right to diagnose and recommend a treatment plan, the future of the profession is at stake. Your own professional future is also at stake if you agree to terms that cause you to treat patients in an unethical manner, perhaps by forcing them to seek care only at your office, recommending less than comprehensive care or giving a discriminatory discount. Your financial security is at risk in any discount scheme. If, for example, your office has a 60% overhead, discounting your fees by 15% will decrease your net income by about 37%! Capitation plans fail because it is impossible to estimate the cost of quality care for a population, build in a profit margin for the plan administrator, guarantee discount rates and not have the dentist or patient short-changed.

Although fees for preventive dental services have increased at less than the cost of inflation over the last ten years, dental plan costs have increased more rapidly because more people are accessing regular preventive dental care more often. Acceptable cost control measures are dentistry's answer to employers' problem of increasing costs, and include promoting prevention, patient co-payments, annual maximums and non-assignment, as well as claim audits and monitoring of questionable treatment practices. Encouraging patients to access preventive care and to take an active role in their treatment plan, and limiting overall cost rather than the frequency of individual services seems to be the answer. Effective cost control also requires a partnership between the plan administrators and the dental regulatory authorities who must be consulted and presented with the evidence when treatment or treatment planning appears questionable.

Operation of Dental Benefit Plans

You should set your fees by consulting provincial fee guides or surveys and making adjustments to reflect your office overhead and your need for a reasonable income. Plan administrators develop benefit schedules indicating what amounts they will contribute toward the cost of dental care; they do not determine dentists' fees or develop fee guides. Most plans base their benefit schedules on provincial fee guides. Patients should be charged the same fee for the same service performed under the same circumstances, regardless of whether they receive benefit coverage or not. If you offer discounts to subscribers of a certain plan, you should extend the same discount to other patients.

Co-payments are included in plan design to make patients take responsibility for their own health and to control costs by requiring the plan to cover only a percentage of your fee. It is unethical to forgive a co-payment. The dental claim form you sign indicates your total fee for the service. The plan requires the patient to pay part of that fee, even if you discount it. For example, if your usual fee for a procedure is $100 and there is a 20% co-payment required, the patient pays you $100 and the plan reimburses the patient $80. If you wish to discount your fee by 20%, the claim form should indicate a fee of $80; the plan will then reimburse the patient 80% of $80, or $64.

Accepting assignment of dental benefits from your patients may look like an attractive alternative when starting a practice, but it can interfere with the dentist-patient relationship and promote an entitlement or insurance mentality towards dental care. The dangers of assignment are that patients:

1. are not aware of the cost and value of dentistry;
2. feel the dentist is responsible to the insurer;
3. are not motivated to follow home care instructions since care is "free"; and

4. become unwilling to accept treatment not covered.

Assignment also leads to control by a third party of fees and treatment frequency, and results in having to deal with the problem of high accounts receivable with many small nuisance accounts to collect.

Patients who insist that you accept assignment usually mean that they will come to your office if treatment is at no cost to them and if you accept the financial risk of any uncovered treatment. Patients who pay the dentist directly are more apt to understand their treatment plan and to become a partner in their oral health. Alternatives to assignment include accepting post-dated cheques and payment by credit card. Plans pay patients much faster than dentists. By filing your claims on CDAnet, for example, patients are paid in as little as three to five days. CDAnet is a convenient way to file claims electronically, streamlining administrative procedures for the dentist, the patient and the plan administrator as well as facilitating faster payment of the benefit. New dentists should realize that this is a good way to promote non-assignment in their practices.

For patients to perform proper home care procedures and seek regular preventive care, they must understand the necessity of any proposed treatment. Making sure that patients are aware of their financial obligation ensures that they will ask the right questions regarding treatment recommendations. Helping patients to submit a predetermination form for benefits encourages dialogue. Predeterminations are not used to "shop the plan" to determine what treatment is covered. CDA's standard treatment plan form is used to establish the patient's eligibility for coverage, not to let the third party make clinical judgments.

Many plans contain an alternate benefits clause. This is a provision that allows a third party to base the benefit paid on the fee for an alternate procedure which is less expensive than the one recommended by the dentist. Let's say, for example, that a plan lists fixed partial dentures as a benefit, but contains an alternate benefits clause. The dental consultant for the plan administrator may decide that a removable partial denture is professionally acceptable, in which case the plan will pay only the cost of the removable prosthesis toward the cost of the fixed restoration. This is usually a very subjective matter, and may leave the patient feeling that the dentist was recommending unneeded treatment. It would be better if the plan covered fixed bridges at a higher patient co-payment level, and left the choice of treatment to the patient and dentist.

Types of Dental Plans

There are four basic types of dental plans that may be offered to subscribers either on a voluntary or mandatory basis, or as flex benefits. **Table I** illustrates some of the advantages and disadvantages of the various types of plans. Indemnity dental plans are insured plans where a third party underwrites the cost of dental care in exchange for an insurance premium. There are very few of these "old style" plans in existence because of the cost of having the insurer take all the risk. Administrative services only (ASO) or cost plus plans are funded directly by the employer who pays for the dental treatment and usually has the claims administered by a third party. Some of these plans operate like a dental spending account; they have very few treatment restrictions and low administrative costs. Direct reimbursement plans are also employer-funded and are particularly suited to small businesses because administration is

Table I

Advantages and disadvantages of the various types of dental benefit plans.

Plan Feature	Indemnity Plans	ASO/Cost Plus Plans	Direct Reimbursement Plans	Managed Care Plans
Allows freedom of choice	+	+	+	
Removes freedom of choice				-
Percentage of premiums spent on dental care	75-	95+	97+	65-
Employer assumes all the risk		-		
Carrier assumes all the risk	+			
Encourages assignment of benefits				-
Allows non-assignment of benefits	+	+		
Encourages non-assignment of benefits			+	
Employer premiums lower in short term				+
Premiums higher than other plans	-			
Acceptable cost-containment measures	+	+	+	
No system to track utilization			-	
Employer must train staff to administer			-	
Frequency and treatment limitations	-			-
May require risk assessment for eligibility				-

easily handled in-house. Patients pay for dental care and present a receipt to their employer for reimbursement. Managed care plans may cover fewer preventive services than other plans, and usually require the patient to select a dentist from a list of preferred providers. The dentist's fees are generally discounted and assignment is encouraged or required. Treatment limitations may require that only the least expensive alternative be recommended.

Flex benefits allow an employee to choose different benefits from a menu using a point system. Each employee has a certain amount of points to spend on life insurance, health benefits or disability coverage. Flex dental plans usually allow the employee to select their dentist, allow nonassignment, and incorporate acceptable cost-containment measures. The problem with these benefits is that employees must decide to choose dental coverage by predicting their future needs. As well, people who are not motivated to maintain their oral health will not choose dental plans. Consequently, when a new menu of benefits is presented every few years, there will always be a group of employees who will cause plan costs to increase when they join because they have had no dental coverage and little dental treatment for several years. Core-plus plans offer employees a core package of benefits that they can add to by choosing from a menu. Core-plus plans should always include basic dental coverage to ensure everyone enjoys the benefits of regular preventive dental care.

Dealing with Dental Benefits Issues

Dentists have a duty to help patients receive whatever benefits they are eligible for by fully explaining all treatment recommendations and costs, filling out standard dental treatment plan forms and standard dental claim forms. It is not accomplished by organizing recall schedules to suit the frequency limitations of various plans or by recommending diagnostic procedures based on patients' coverage. Dentists must not allow dental benefit plans to interfere with the dentist-patient relationship or with treatment recommendations. The best way to stay on top of the issues is to stay involved in organized dentistry. CDA and provincial dental associations have a wide array of printed material available about dental benefits, and their experienced staff and committee members can answer your benefits questions. It is important to support provincial associations and CDA to make sure that *dentistry* continues to decide what is best for our patients and our profession. ■

Dr. Conrod *is CDA's vice president and past chairman of the Committee on Dental Benefits Issues.*

Reprint requests to: *Dr. Conrod, 94 Peters Rd., Sydney, NS B1P 4P4*

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