

Understanding Dental Insurance

Do you have dental insurance? Would you like to get the most out of your insurance? Do you wonder why you have to make a co-pay...sometimes a large one? (Even though you have insurance.)

I will try to make a complex subject fit into the space for this column. If you have insurance...great. It will help reduce your dental bills significantly if you use it wisely.

First, dental insurance is a contract between whoever pays for it (usually your employer) and the dental insurance company. Employers offer dental insurance as a desired benefit. Why do insurance companies write dental policies.... to make money. And it is indeed a very profitable business for the companies that write dental policies.

What types of policies are there? Not all dental insurance is created equally. Like medical policies there are basically 3 types...HMO style, PPO style (Participating Provider Organization), and Indemnity (generally considered the best).

The first two listed also have the dentist as a contractual partner. In the HMO model, the dentist receives monthly payment per participant no matter how much or little treatment he provides. To use the insurance, the patient must see one of the HMO dentists.

In the PPO model, a dentist contracts to see that particular insurance company's patients at a discounted rate, which is usually approximately the dentist's profit margin. This does save the patient some money, and the insurance company a lot of money. To receive the discount, the patient must see a PPO dentist. If the plan is state regulated, the patient can receive the same amount of benefit with another dentist, but the treatment will not be discounted.

The Indemnity model is just like insurance used to be. You can receive your benefit with the dentist that you choose. Because the dentist has not contracted with the insurance company to discount fees, this policy will cost your employer more to purchase and you a little more to use. But you are free to choose the dentist that's best for you.

So why are some plans better than others? In most cases it is directly related to how much money the employer puts into the plan. There are a few that are really of little value because they cover so little. Some will do quite a bit if used wisely by the patient.

I always tell my patients with dental insurance that it will help to one degree or another depending on the extent of their needs and the quality of the policy. We will always help them utilize their benefits as efficiently as possible. However...

The insurance company is in business to make money, not to make sure they keep their teeth. As such, they seem to set arbitrary amounts that they pay for the procedures they cover. What is called Usual, Customary, and Reasonable for the amount they cover may be none of the three.

There will always be a co-pay. This is the difference between the cost of the treatment and what the insurance is going to pay. Exceptions may be made for preventive services.

Calendar maximums often come into play. The majority of policies have reimbursed around \$1000 dollars per year for the last 30 years. Obviously \$1000 does not go as far in 2007 as it did in 1977. In fact, had they kept up with inflation, they would be covering at least \$3500 per year today.

Procedures done purely for cosmetics (other than orthodontics) are usually not covered at all. Most policies cover the more costly treatments at a much lower rate. State of the art treatments (such as dental implants) are usually not covered at all. Go figure.

My next column will be...How to Get the Most from your Dental Insurance.