

# Managed Care in Dentistry

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(THIRD-PARTY PAYMENT FOR DENTAL CARE)

In recent years, there has been a significant increase in so-called “managed dental health care” in which insurance groups make contracts with local companies to provide dental care for specified fees and with numerous regulations and stipulations for patients. Your employer may purchase dental benefits for you using a managed care program.

Other than paying for dentistry yourself without any involvement with insurance companies, there are several payment concepts currently popular:

## **Indemnity dental “insurance” plans**

*(These organizations offer standard dental treatment at near normal fees with a choice of practitioners.)*

These groups are the original managed care organizations in dentistry. Many dental patients have had these plans for decades. They provide payment to dentists at fee levels that generally allow quality oral services to be provided. One of the only disadvantages to some of these plans is the high administrative-cost charged to you and your employer. Thus, you receive less dentistry than the funds your employer pays into the benefit company. Nevertheless, these indemnity “fee for service,” freedom of practitioner choice, dental “insurance” plans have provided adequate dental services for Americans for decades.

## **Direct reimbursement plans**

An excellent and slowly growing form of payment called Direct Reimbursement (DR) can be obtained by your employer, in which you have complete freedom of choice about practitioners and the quality level or type of service you want, without major overhead costs to your employer. We will be pleased to provide information on DR if you want it for your employer.

Americans enjoy freedom in nearly all areas of their lives. I think you want to choose your health practitioner based on your own criteria, and you want the very best preventive-care practitioners and treatment you can get. I doubt if you can trust profit-motivated companies to select your practitioners, dictate their fees, or limit their services. Only three of the five methods for payment described on this sheet preserve “freedom of choice” dentistry (indemnity dental “insurance” plans, referral networks, and direct reimbursement).

## **Referral networks**

A growing form of managed care are the so-called “referral networks.” Dentists join a commercial firm, such as 1-800-DENTIST. These groups recruit dentists and can give patients knowledge of the qualifications of the dentist. These dentists provide services at somewhat lower fees.

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# Managed Care in Dentistry (continued)

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## **HMO (health maintenance organizations)**

*(These organizations offer minimal dentistry at low fees by specified practitioners.)*

Perhaps the greatest current threat to quality dental care in the U.S. are the currently available, underfunded dental HMOs. A dental benefit company (HMO) makes a contract with your employer to provide “overall” dental care for you at very low fee levels. Capitation payments to dentists from many dental HMOs will not even provide the total of 2 dental “cleanings” (scaling and polishing) per year. The dentist receives a few dollars per patient per month, whether the patient is treated or not. Obviously for financial reasons, the dentist would rather not see the patient, and certainly would rather not do any expensive treatment, almost all of which must be donated to the patient by the dentist. Generally in dental HMOs, the dentist can only survive financially by not treating the patients. Who profits from dental HMOs? Certainly not the patient or dentist. You guessed it, the HMO owners! As in some PPOs, if you elect to join a dental HMO, you have a group of preferred providers who participate in the plan for various reasons.

There are a few large dental HMOs with historical evidence of relatively acceptable levels of dental care. However, these are exceptions to the previous statements. Your dentist can easily tell you if the dental HMO plan you are considering provides adequate funding for dental services.

## **PPO (professional provider organizations)**

*(These organizations offer partial payment for dental treatment at reduced fees as provided by specified practitioners. Also known as preferred providers.)*

A dental benefit company (PPO) contracts with your employer to provide some financial benefits for dental care for you. The dentists who participate in the PPO plan agree to treat you for reduced fees. They are called “preferred providers.” Most dentists belong to at least some PPOs. Often, the participating dentists are younger dentists, or a few mature dentists who have various reasons for their participation. Many dentists do not participate in PPOs because the reduced fees often limit the dentists’ ability to provide services at their usual level. Dental benefit companies administering PPOs are in “business” for profit. The profits go to the PPO owners. With the myriad new innovations in dentistry, it is impossible for updated practitioners to provide high level, standard-of-care services on a continuing basis to you at reduced fee levels. Be careful! If you elect to join one of these plans, you can expect only maintenance level care from some of them. Usually these plans don’t include elective services such as implants, esthetic dentistry, orthodontics, and other treatment. These plans vary enormously in the benefits they pay and quality of oral care the participating practitioners can provide.

Thank you for your support. We look forward to serving you with high quality, moderate cost, freedom of choice dental services.