

## TOP 10 CLAIM CONCERNS: ADA, NADP SHARE VIEWS ON DENTISTS' CONCERNS

The ADA Council on Dental Benefit Programs continually receives and addresses a variety of dental claim submission and adjudication questions from member dentists and practice staff. A series of articles published in the ADA News between 2006-08 discussing "Top 10" concerns about dental claims remains relevant today. The articles included perspectives from ADA members, National Association of Dental Plan members and the Council on Dental Benefit Programs.

### OVERPAYMENT / REFUND REQUESTS

#### Dentist Perspective

Many times when a third-party payer mistakenly pays a dental provider, the payer will request a refund of the overpaid amount. In some cases, refund requests have been sent to dentists more than two years after the payment was made. The patient may no longer be a patient of record with that dentist.

In most instances, the overpaid amount is deducted from future benefits paid to the dentist. In some cases, overpayments made to other dentists for the same patient may be deducted from future benefits payments to the dentist. Many members question the fairness of this practice.

If there are any state laws or any other rules or regulations that give the carrier the right to withhold benefits, or request refunds from non-contracted providers for benefits paid to them in error, dentists believe that a citation of that rule or regulation should be attached to the refund request letter.

#### Dental benefits industry perspective

Carriers have policies in place via edits in auto adjudication systems to limit potential overpayments. However, overpayments requiring a refund can still occur for several reasons largely beyond the control of the carrier.

One of the most common reasons for refund requests is when an employer terminates a patient's dental benefits but delays notifying the carrier of this change in the employee's status. This can occur for any number of reasons, the most usual being a change of employment.

If the payer does not receive timely notice of this type of change or elimination of benefit, claims can be paid inappropriately for patients who in effect were not covered on the date of service. Once the payer learns of such a change, premiums collected by the carrier are returned because contractually, the patient bears the financial responsibility for the services rendered.

Carriers generally issue a request for refunds as soon as they become aware of an overpayment. However, events and state laws often conspire to further delay when the carrier can legally request the refund – a circumstance that forces the process to take far longer than anyone would like.

For instance, overpayments often occur when an employer decides to terminate a group contract with a carrier, and rather than notify the carrier, the employer simply fails to remit the premium. In these instances, state laws often mandate grace periods during which

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coverage must remain active. These grace periods are typically for 30 to 60 days during which time carriers cannot withhold claims payment nor communicate that the coverage could become suspended due to nonpayment of premium. The patient is ultimately responsible for claims under these circumstances.

Once the grace period has lapsed, or if the employer provides notification that they have elected to drop coverage or change carriers, state law requires that the termination must be retroactive to the last day the premium was paid. As a result, claims that were processed and paid during the grace period are not valid because the patients did not have effective coverage with the carrier during that time.

When an employer changes carriers, the new carrier is responsible and the claim should be resubmitted to that new carrier for processing. The patient is responsible for notifying the dentist of any change in their dental benefits; ultimately the patient should be held liable for any claims paid during this period.

Another reason for refund requests is when a claim is submitted with an incorrect provider name or a generic practice name. This can, for example, cause an in-network claim to be paid out of network. Usually the patient or the dentist will call to inquire why the claim was paid incorrectly, prompting the carrier to reprocess the claim with the appropriate benefit.

Incorrect use of the Code on Dental Procedure and Nomenclature is another common issue in refund cases. If an incorrect CDT code is submitted that does not reflect the actual service provided by the dentist, a greater benefit may be paid inappropriately. If attention is brought to the payer – usually by a second dental office to which the patient has transferred – and the proper CDT code is applied, the claim will be reprocessed and any overpayment will be requested as a refund

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from the first office. Additionally, procedures are sometimes submitted for reimbursement just prior to completion, crown insertion for an example, without prior notice of the transience of some patients. Should the claim be paid and the member never return for the final insertion, a refund may be requested as the covered service was never completed. The patient would be responsible for any incurred laboratory and office cost.

Most large group employers self-fund their dental benefits, meaning they contract with a carrier only for administration. In these cases, which impact 37 million of the 170 million Americans with dental benefits, the payer has a fiduciary responsibility as well as a contractual obligation to ensure all claims are paid according to the employers' contract terms. These self-funded employers, with full expectation that a refund will be obtained and funds returned to the employer, scrutinize overpayments.

Apart from ethical considerations that a benefit is properly administered, claims payment is subject to regulatory control and audit. Payers must be able to provide documented rationale for each claim processed to state and federal regulators. Most payers will make a written request for a refund before implementing an automatic deduction from a subsequent payment.

There is no statute of limitation with respect to refund requests; however, most payers will try to request a refund as soon as an overpayment is discovered. Requests for overpayments are usually defined within a network provider agreement. With the exception of Ohio and Florida, plans are not allowed to implement automatic deductions from subsequent payment for non-contracted providers.