

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.

ASSIGNMENT OF BENEFITS TO PARTICIPATING DENTISTS ONLY

Dentist Perspective

Some third-party payers will only assign benefits to participating providers, even when the patients sign the appropriate assignment of benefits box on the claim form. This is a particularly damaging practice because dentists charge the patient only what will not be covered by insurance at the time of service, when assignment of benefits has been obtained. Dentists are then placed in a difficult collections position because in some cases their patients will not pay them after receiving payment from the insurance carrier.

Often the dentist will not receive a copy of the explanation of benefits and has no idea of the amount paid, or even if the claim was received and processed at all. It's hard for dentists to understand why a third-party payer would not honor the assignment of benefits from the plan participant. Many dentists feel that not honoring patients' requests to assign benefits to nonparticipating providers is an attempt by carriers to get these providers to join their networks. Dentists believe that third-party payers that will not assign benefits to nonparticipating dentists should inform dentists of this policy upfront so that dental offices may collect money from patients at the time of treatment.

Dental benefits industry perspective

About 96 percent of today's dental benefits marketplace is provided under group contracts – largely through employers. Most large group employers self-fund their dental benefits, meaning they contract with a carrier only for administration of the benefits that the employer provides. These groups are regulated under federal law – Employee Retirement Income Security Act of 1974 – not state law and set their own rules with regard to assignment. 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 pay claims according to the employers' contract terms.

State-regulated carriers serve the balance of the market. These carriers are regulated under statutes which vary from state to state. The licensing laws and related statutes, along with their business approach to meeting the needs of a diverse employer market, influence a carrier's operational policies.

State laws requiring assignment of benefits apply to all carriers. In states where such requirements do not exist, many carriers usually honor assignment of benefits to nonparticipating dentists as a courtesy to their enrollees and to maintain consistency in their procedures state-to-state. Most of these carriers also provide a copy of the explanation of benefits to a nonparticipating dentist when he or she submits the claim on behalf of the enrollee. However, the patient's assignment of benefits and communication of that assignment through the claim form

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does not legally supersede the group contract. The claim form is a method of communicating information, not a legal obligation.

Some companies, usually those organized as Delta Dental member companies, approach assignment of benefits differently. With 250 million claims processed annually, almost 60 percent by paper, dentists who are not contracted must be entered into claims payment systems and are generally not familiar with carrier claim processing policies. Carriers who do not typically honor assignment of benefits view direct payment as a value of network participation and a method of reinforcing patient selection of dentists within the established dentist network to optimize the amount of care patients can obtain under their annual maximum.

Carriers have a responsibility to inform patients of their obligations when using dentists who are not in their networks. Dental carriers do this through informational materials regarding benefits. When provided in writing, these materials are usually regulated by state requirements for readability at a grade school level. Carriers also provide Web sites where enrollees can access their evidence of coverage, which detail their out-of-pocket responsibility to the dentist. Any carrier's practice of not accepting assignment to nonparticipating providers should be explained in these benefit materials.

Carriers also have an obligation to make their policies clear and easily accessible to dentists. Most carriers do this through dedicated provider relations call centers. Increasingly, carriers are adding online systems to provide this information to dentists within the limits of privacy and security laws. Dentists should check these sources when a patient provides coverage information and before they communicate with patients about financial responsibility and payment policies.

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Through dentist contracting, carriers assume the cost of a variety of functions that ease payment and collection processes for dentists while providing the opportunity to increase their patient base. Plan design incentives encouraging enrollees to obtain care from network dentists further expand the value of contracting and the benefits available to the enrollee/patient. These incentives cover a range of operational differences, from reductions on level of reimbursement to refusal of assignment to nonparticipating dentists.

Carriers must balance the interests of their enrollees with more than 100,000 dentists in the U.S. who have chosen to contract with them and noncontracting dentists. Dentists enter into contractual arrangements for a variety of reimbursement, cost and service advantages. Extending assignment of benefits and other cost savings to noncontracted dentists can diminish these advantages for contracted dentists and is a carrier choice where it is not regulated by law.

Assignment of benefits can be superseded by federal law, applicable under state law to all carriers, honored as a courtesy to enrollees or treated as an advantage for dentists who enter into contractual relationships with carriers, including compliance with carriers' payment rules and policies. All are valid carrier choices which differentiate their operation in the marketplace just as dental offices design their operations to capture their target market.