

Neither guarantees reimbursement of services, but preauthorization can lead to the reversal of denied claims.

Predetermination confirms patient enrollment and coverage for a planned treatment. Preauthorization not only allows providers to determine coverage but also to secure authorization or approval from a payer for a treatment plan. Many states require that health plans honor all preauthorized treatment. Preauthorizations not only provide a more secure plan assessment but can give patients the information they want about how much the treatment plan will cost.

How can preauthorizations change the field of battle with insurance companies? One assessment found that with a preauthorization approach, 95% of all claims are paid the first time they are submitted, denied claims are often reversed when proof of preauthorization is procured, fewer than 2% of accounts receivable are more than 90 days old, few statements are sent to patients, 98% of treatment plans are accepted, and those dreadful calls to insurance carriers are nearly eliminated. This defensive strategy is not only highly effective but can also serve as an effective attack strategy for appealing denied claims.

Engaging the Insurance Commissioner

Since first proposed in 2017, the engagement of the insurance commissioner in the state has been highly successful. This approach helps to keep insurance honest with their claims processing.

Negotiating Contracted Fees

It has become increasingly more difficult to negotiate with insurance carriers, but persistence does pay off. In addition, dentists must become familiar with new negotiating techniques that the

insurance carriers use. For example, a large national insurance carrier claimed to have switched to an automatic fee increase format, which makes dentists eligible for an increase each year. However, since the implementation of this policy, no automatic increases have occurred. When professional negotiators are employed by the dental office, this carrier continues to negotiate on a case-by-case basis—but only with the practices that employ the professional guide, have unique leverage, or exhibit persistence that overcomes the carrier's initial objections. Success in the negotiating process can be a useful attack strategy because it lets the insurance carrier know that the dentist is paying attention.

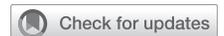
Clinical Significance

Successfully implementing a preauthorization in the office may be challenging, and it can be difficult to engage the insurance commissioner on your first attempt. Even negotiating a fee could be a failure at first. Tzu reminds his readers that you have to believe in yourself. This means you keep trying because you know you can succeed. Having a good offensive strategy when dealing with insurance companies can be a winning approach.

Tuinei B: The art of war: Reducing time spent on insurance administration. *Dent Econ* 108:12, 14, 17, 2018

Reprints not available

Alternatives to traditional dental benefit plans



BACKGROUND

Although fees for dental care are rising, dental insurance coverage has been expanded, and utilization is nearly maxed out, dentists' incomes are decreasing. One cause of this problem is the fact that for most adults with private dental benefits, the financial costs of premiums, copays, and coinsurance exceed the market value of the dental care itself. Thus people simply avoid going to the dentist because of the cost. A second cause is related to the declining opportunity to further expand dental care utilization. The increase in demand has not increased profit. Finally, reimbursement through private insurance does not pay as well as it used to, with even larger payment rate reductions seen with preferred provider organization (PPO) networks. Traditional insurance isn't working well for the dentist or the patient, so alternatives have been developed that may

not only decrease costs for patients but also increase profits for dentists.

FEE-FOR-SERVICE PLANS

In fee-for-service plans, dentists determine their own fees for procedures and patients usually pay the entire fee, or all that isn't covered by insurance, up front. Financing plans may be offered to manage these out-of-pocket expenses. These plans can also be used with a traditional dental insurance plan.

DENTAL DISCOUNT PLANS

In a dental discount plan, patients receive a 10% to 69% discount on services. The drawback is that dentists don't

receive full fees for their work, which can reduce the quality of the dentistry delivered, increase waiting times, lead to compromises in materials used, and involve dentists who are less experienced.

MEMBERSHIP PLANS

Dentists offer membership plans directly to their patients. These plans are fully customizable and usually have patients pay a flat fee monthly or annually that covers basic preventive and diagnostic needs. Restorative and specialty treatments are offered at an affordable rate. This helps practices improve treatment acceptance among their existing patients and attract new patients who want a simple, affordable dental plan.

Several companies offer the software that makes these plans easy to design and implement. Although the specific services offered and how they make their profit differ, they all minimize the difficulty and expenses involved.

The Klear option involves patients making payments directly to the dentist, who can then keep 90% or more of the money. Among the advantages of the Klear plan is the fact that it's free and easy to implement and offers a manager to work one-on-one with dental practices in the designing, implementation, and management of the membership plan. This plan is compliant with the Health Insurance Portability and Accountability Act's (HIPAA) privacy and security rules.

The BoomCloud approach also helps dental practices create, organize, automate, and manage in-house membership programs. Its advantage is the single fee charged for services, regardless of the size of the practice.

Dental HQ uses cloud-based software that allows dentists to easily set up plans, automate the payments, and track members. The ability to create customized marketing materials and other assets helps dental offices market their plans. Dental HQ profits by keeping an 8% residual on each membership processed.

SELF-FUNDED DENTAL PLANS

Sometimes called "administrative services only" plans, self-funded dental plans provide patients a dental benefit in conjunction with employers. Traditionally employers hire a licensed plan administrator to work directly with care providers to control costs and use prearranged "leased" discounts. Costs can significantly increase under this model, so adjudication is used to control plan costs. Many dentists argue that the adjudication process

prevents them from realizing an acceptable level of profitability. As a result a new alternative was developed: ProCare.

ProCare designs group dental plans for employers who self-fund to offer to their employees. It eliminates adjudication and pays the dental provider the usual fee schedule in full with no caps on utilization. It's anticipated that this plan type will eventually be available to individual consumers as well. ProCare charges a small licensing fee to conduct their business using their tools. However, employers are empowered to work directly with dentists, which is better for both consumers and providers.

EVALUATION

Insurance alternatives offer the opportunity to increase patient numbers and increase provider income. If they are incorporated improperly, however, there can be legal risks and less efficient use of office resources. The plans must be developed in accordance with state regulations and any direct primary care (DPC) legislation in place. It's advisable to consult a lawyer before implementing any alternative programs.

Dentists can also set up an in-house membership program without having help from any of the companies that are available. Such a course of action will depend on the size of the business, whether there is someone in the office who can handle the administrative aspects well, and whether the office has sufficient staff to handle a sudden increase in patients.

Clinical Significance

These alternatives to traditional dental insurance aren't new, although they are receiving a great deal more attention than in the past. Their current growth is attributable to the increasingly adversarial role of dental insurance and the availability of more automated solutions, which makes it easier to implement these alternatives. They should be regarded as supplementary to the traditional insurance market offerings and a way to modernize dental practices.

Fialkoff S: The big swerve. *Inside Dentistry*, Sept 2018, pp 20-22, 24, 26-28

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