

## **Facts Concerning Dental Insurance**

### **Fact 1 – No insurance pays 100% of all procedures**

Dental insurance is meant to be an aid in receiving dental care. Many parents think that their dental insurance pays 90% to a 100% of all dental fees. This is not true! Most plans only pay approximately 50% to 80% of the average total fee. Some pay more, some pay less. The percentage is usually determined by how much you or your employer has paid for the coverage or the type of contract your employer has set up with the insurance company.

### **Fact 2 – Benefits are not determined by our office**

You may have noticed that sometimes your dental insurer reimburses you at a lower rate than the dentist's actual fee. Frequently, insurance companies state that the reimbursement was reduced because your dentist's fee has exceeded the usual customary, or reasonable fee ("UCR") used by the insurance company.

A statement such as this gives the impression that any fee greater than the amount paid by the insurance company is unreasonable or well above what most dentists in the area charge for a certain service. This can be very misleading and simply is not accurate.

Insurance companies set their own fee schedule and each company uses a different set of fees they consider allowable. These allowable fees may vary widely because each company collects fee information from claims it processes. The insurance company then takes this data and arbitrarily chooses a level they call the "allowable" UCR fee. Frequently this data can be 3 to 5 years old and these "allowable" fees are set by the insurance company so they can make a net 20% - 30% profit.

Unfortunately, insurance companies imply that your dentist is "overcharging" rather than say that they are "underpaying" for procedures. In general, the less expensive insurance policy will use a lower usual, customary or reasonable (UCR) figure.

### **Fact 3 – Deductibles & Co-Payments must be considered**

When understanding dental benefits, deductibles and co-payment percentages must be considered. To illustrate, assume the fee for service is \$150.00. Assuming that the insurance company allows \$150.00 as its usual and customary (UCR) fee, you can calculate the benefit that you will be reimbursed. First a deductible (if applicable), on average \$50.00, will be subtracted, leaving a \$100.00. The plan then pays 80% for this particular procedure. The insurance company will then pay 80% of the \$100.00, or \$80.00. Of course, if the UCR is less than \$150.00 or your plan maybe only pays 50%, then your insurance reimbursement will be significantly lower.

**Most importantly, please keep our office informed of any insurance changes such as policy name, insurance company address or a change of employment.**