

## **Some General Information About Direct Reimbursement**

The Montana Dental Association and American Dental Association support fee-for-service dental plans which allow patients to choose their own dentists. One type of plan is called Direct Reimbursement (DR). More and more employers and employees are discovering the benefits and simplicity of DR dental plans.

Direct Reimbursement plans take many forms, but all DR plans share three essential elements:

- They are self-funded by the employer;
- They allow the dental patient freedom to choose any dentist;
- They reimburse patients based on dollars spent on dental treatment, not based on the type of treatment received.

Under a DR dental plan, the covered individual visits the dentist, receives treatment, and arranges for payment. The patient then presents a paid receipt or proof of treatment to the employer or employer's plan administrator for reimbursement. The employee is then reimbursed directly, based on the company's plan design. The plan design will vary according to a company's budget

A patient with a DR plan needs a simple statement of services and receipt that show that treatment has been received and payment made. Typically, the standardized ADA claim form will suffice.

Some companies administer their DR plan themselves and others use a third-party administrator (TPA) to process and reimburse claims. In addition, some employers offer DR with an assignment of benefit, which shifts the requirement of payment from the employee and places it on the TPA or on the company. In this case, if you do not collect payment from the patient, you would fax or mail the claim to the employer or TPA.

According to the American Dental Association, these are the benefits of DR:

### **Benefits of DR to Patients**

- Simple to understand.
- Freedom to choose any dentist for treatment.
- Reimbursement based on dollars spent, not type of treatment received.
- No pre-authorization requirements.

### **Benefits of DR to Employers**

- Provides cost control through the use of co-payments and annual maximums.
- There are no premiums to pay. Payment is made for those employees who actually visit the dentist.
- More than 90% of the dental benefit dollar is spent on actual dental care, not on the overhead, staffing, advertising, or marketing of a third-party insurer.
- There are fewer employee complaints about their dental plan.

### **Benefits of DR to the Dental Office**

- Preserves dentist-patient relationships.
- Reduces paperwork and red tape in office.
- Allows dentist to determine treatment with the patients, without interference from a third-party.
- Encourages fee-for-service, freedom-of-choice dentistry.

To learn more about Montana's DR plans, contact Jim Edwards at Mountain West Benefit Solutions in Helena. Telephone 406-443-1060 or email at [jedwards@mwbs-insurance.com](mailto:jedwards@mwbs-insurance.com).

Or visit the American Dental Association web site, at [www.ada.org/prof/resources/topics/benefits/dr\\_information.asp](http://www.ada.org/prof/resources/topics/benefits/dr_information.asp).