

The Nuts n Bolts of DENTAL Insurance

Just in case you weren't aware, choosing dental insurance is totally different than choosing medical insurance! On top of that, *individual* dental plans are not anywhere close to what you may have been accustomed to with *employer group* dental. Here's the 30,000 foot view:

1. Very important – unlike Group plans, Individual plans normally do NOT cover anything other than preventive the first year. There are few out there though that will cover some of major/basic work. If you have lots of work to be done, to get the best bang for your buck, you'll need to pay on your policy for at least one year to obtain maximum benefit.
2. There are several types of dental plans: **HMO, PPO, Discount and Indemnity/PPO Plus Plans** (or they may go by another name).
 - a. **HMO** – In-network Dentists only and a set price for procedures. While HMO insurance plans may be adequate for the medical community, they are more difficult to justify in the dental community. If you venture outside the network, you're on your own 100%! You also must obtain a referral from your assigned General Dentist to go to a Dental Specialist. In our experience, there are far and few quality dentists that accept HMO plans.
 - b. **PPO** – PPO's have an In and Out-of-Network options and most plans pay a percentage of the procedures instead of a set price. You'll get a better deal if you go to an 'in-network' dentist. If you go 'out-of-network', you'll pay more and this is what separates the types of PPO plans:
 - c. If you seek an out of network provider:
 - i. Some PPO plans pay a percentage of what they would pay their 'in-network' provider. For example: An in-network dentist receives a negotiated rate of \$1,000 for a crown. Your out-of-network dentist charges you \$2,000. The plan will pay a percentage of the 'negotiated' rate (in this case \$1,000). If you are in a year where the plan pays 50%, the plan would pay \$500 toward the \$2,000 crown. Your responsibility = \$1,500.

- ii. Some PPO or Indemnity plans will pay a percentage of the 'reasonable and customary' in your area which would be higher than the aforementioned option. For example: Same crown and the out of network dentist charges \$2,000. If the 'reasonable and customary' in your area for that same crown is \$1,800. The plan will calculate a percentage of the 'r and c' rate (in this case 80% of \$1,800 = \$1,440). If you're in a year where the plan pays 50%, the plan would pay \$720 toward the \$2,000 crown. Your responsibility = \$1,280.
- d. **Discount** – Just as it states, there is a negotiated list of codes/procedures and if the Dentist is contracted, they must adhere to those rates. **BE AWARE** – there are thousands of codes and many Dentists seem to find that one or two codes that are **NOT** negotiated. You can always ask for a plan of action/estimate and send it to the insurance company to see if the Dentist is just trying to take you for a ride!

Next, each plan has a **maximum** they will pay each year. Make sure you are looking at the maximum in comparison to the premium. To make it more confusing, some plans calculate everything you pay into that maximum, some pay 1/2 of their maximum for major work and the other 1/2 for other costs.

Deductibles are another area you want to address. Do they charge a lifetime deductible or each year?

Questions to ask yourself...

1. Is your Dentist in any dental networks (Delta Dental, Renaissance, Carrington, DentaMax to name a few)?
 - a. If so, PPO's are a reasonable premium for the benefits. If you have a lot of issues and have to see many Dentists that are not in any networks, you should bite the bullet and pay the extra cost for a PPO Plus/Indemnity Plan or just negotiate a cash price.
2. How much are you comfortable paying whether you have major work or not. It's like home insurance, we never want our house to burn down yet we pay for homeowners insurance each year and most times, **NEVER** use it. At

least with dental insurance they pay for some preventive work unlike your homeowner's insurance.

Overall, work with an independent insurance agent/broker and most time, you will receive non-biased opinions. At our company, we do not charge broker fees whether we place business for you or not and only accept the insurance company commissions. It's a win/win/win!

Hoffman Insurance Resources Independent Insurance Broker

CA Insurance License #0D06149

323.455.4961

Debbie@DebbieHoffman.com

<http://debbiehoffman.com/dental/>

About Hoffman Insurance Resources

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