

Appreciating the Predictable, PPO Networks with No Surprises

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Dental insurance is a high-demand benefit, making it a staple plan in employee benefits packages offered by many employers across the U.S.

Most employees have high expectations of their dental benefits. They want quality care, along with quick and efficient payment of their claims by the insurance carrier.

Employees tend to be rather finicky about the dentist who takes care of their teeth. They want the freedom to see the dentist of their choice, and preferably someone not too far from where they live or work. Once employees find a dentist they are comfortable with, they stick with that individual.

PPO Preferences

Not surprisingly, employees prefer PPO – Participating Provider Organization – networks incorporated into dental benefit plans.

PPO networks are designed to give employees access to the dentists of their choice at contracted prices for the care they receive. Many employers and employees believe PPOs are standardized programs administered similarly by all dental insurance carriers. While this sounds nice, PPOs are not designed the same across the dental insurance industry.

Each carrier has different strengths and capabilities, as well as varying philosophies about dental care and operational strategies. These differences affect the design of dental plans and coverage amounts for the care and services provided by dental offices, as well as the structure of PPO networks.

You have an important role in helping employers and employees evaluate PPO networks, dental care options, and plan designs created by insurance carriers. When comparing PPOs, the top factors to consider are the financial impact for the employer and employee and general employee satisfaction.

Here's how to get an accurate assessment.

1. **Network size** – more dentists are not always the right dentists. As you compare PPOs, you will quickly notice that dental carriers tend to tout the size of their networks. However, a bigger number does not always mean employees will have access to the dentists of their choice.

Start by understanding how carriers count PPO dental providers – they do not all use the same method. Here are some common terms:

- a. Providers counts each individual dentist under contract with the carrier. Each provider is counted only once. A network using this count may appear to be significantly smaller when compared

to other carriers' networks in the same market that are using different counting methods.

- b. Locations reflects the number of office locations where dentists are under contract with a carrier, but does not represent the actual number of practicing dentists at each site.
- c. Access Points identifies the number of dental providers at each office location where they practice. If a dentist practices at three different locations, he or she would be counted three times in that network. This could lead to scheduling problems if a dentist is unavailable.

Understanding this terminology, and asking carriers how they count their network dentists, will help you make a more accurate evaluation of PPO networks.

2. **Disruption analysis** – will employees be satisfied? Like network size, carriers also have different definitions for disruption when it comes to PPO networks. It is important that the dental carrier selected offers a PPO network that includes employees' preferred providers. You can easily gather this information by asking employees to identify their key dental providers, and by reviewing a recent history of paid claims. If the employer's current plan has a network, separate out the dentists who are not affiliated with the PPO. Likewise, if the existing dental plan does not offer a PPO, develop a list of utilized dentists.

Compare the lists you have compiled against the dentists on the network under consideration. If there is a good match of dentists, and if currently utilized non-PPO dentists are on the new network, employee satisfaction will be high.

Employers frequently hire employees during a plan year who are not familiar with dentists in that market, or current employees may decide to switch providers. Make sure the dentists on the new PPO network are located close to the company's offices and employees' homes, and not on the other side of the city

The goal of this comparative analysis is to determine the level of disruption that might occur with a new dental plan and network change. A positive comparison will create less disruption and fewer employee complaints about the new dental plan.

3. **Contracted fees and services** – Dentists participating in PPOs agree to provide care based on a specific, negotiated fee structure, offering employees guaranteed costs for contracted services. However, these fees will probably vary with each dental carrier, and the details of their agreement may be different for each dentist. Some networks provide a flat percentage discount on dentists' usual fees. Others contract for fixed fees with a wide range of percentages off the usual and customary fees.

When evaluating PPOs determine whether the contracted dentists in the employers' market offer guaranteed discounted fees for all or a portion of covered procedures. Request that each carrier under consideration provide information in writing describing the fee structure and what is covered. Ask if dentists are required to give guaranteed fees for every procedure covered under the contract.

It is also important to clarify the fee structure for employees using out-of-network dentists. Each carrier

covers these services differently, so you need to include this information in your employee benefits education sessions. Otherwise, employees may be surprised with unexpected dental costs, and their dissatisfaction with their dental benefits may increase dramatically.

4. **Credentialing** – Carriers should enforce credentialing requirements that dentists must meet to remain on their network. That would include verification of malpractice insurance, and no suits filed, and state insurance department confirmation that dentists are licensed. A carrier’s law department and dental consultants should review any disciplinary action or malpractice suits made against a dentist.

These recredentialing processes should be repeated periodically to ensure dentists are meeting the carrier’s standards.

5. **Carrier reputation** – The quality of the employees’ experience with a PPO network is also dependent on the customer service and claims processing of the dental carrier. Many insurance companies talk about providing great customer service, but few actually deliver.

Most employees visit their dentists more than once a year, so the frequency of claims is greater than that of medical plans, yet the cost per claim is less. However, the higher the frequency of claims, the greater the potential for error. Look for carriers that provide the customer service your customers expect with demonstrated sustainable service levels over time. Verify that carriers can manage employee information accurately and efficiently by reviewing their client reporting capabilities and evaluating their financial expertise and actuarial and underwriting experience.

Evaluating PPO Networks

Carefully evaluate the networks offered by carriers under consideration for dental benefits. Look for those that will provide access to dentists preferred by the employee group, with clearly defined contracted rates, as well as carriers that are a good financial match for your groups. In addition, work with a carrier that has a reputation for supporting its PPO plan with the excellent customer service and administrative structure both employers and employees expect.

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For assistance in understanding insurance plans and carrier choices, or comparing coverage options, contact the Ameritas Group marketing department at 800-776-9446.

PPO Comparative Analysis Chart

When comparing networks, an employer must look at overall submitted claims and provider utilization and availability for both networks to accurately determine financials and employee satisfaction.

	Network Count Comparison	Current Network New Network
Number of Unique Dentists	_____	_____
Number of Office Locations	_____	_____
Number of Access Points	_____	_____

Financial Impact:
Compare submitted claim dollar amounts for the current and new networks to determine the impact on employers and their employees.

	Submitted Claim Dollars	Number of Dentists Submitting Claims
Current Network	_____	_____
Current Non-Network	_____	_____
New Network	_____	_____
New Non-Network	_____	_____

Employee Satisfaction:
Compare current network utilization with the new network to determine disruption to employees.

	Submitted Claim Dollars	Number of Dentists Submitting Claims
Current Network	_____	_____
New Network	_____	_____
New Non-Network	_____	_____