

Dental Insurance

In this section, you will learn about features and definitions that apply to dental plans. There are two major categories of dental insurance: indemnity plans and employer group dental expense insurance. This section will focus on indemnity plans and their characteristics.

TERMS TO KNOW

First-dollar benefits — benefits paid without any deductibles or copays to satisfy

Indemnity — a principle which states that an insured cannot profit from reimbursement for a loss

Nonscheduled plan — also known as comprehensive; benefits are paid on a reasonable and customary basis and are subject to deductibles and coinsurance

Scheduled plan — also known as basic; pays benefits from a list of procedures up to the amount shown in the schedule

A. Categories Of Dental Treatment

1. Diagnostic and Preventive

An important feature of a dental insurance plan, which is typically not found in a medical expense insurance plan, is the inclusion of **diagnostic and preventive care**. Most dental plans provide coverage for routine preventive procedures such as periodic teeth cleaning and fluoride treatments. An increasing number of dental plans require periodic examinations as a condition for continued coverage.

Know This! Dental insurance differs from medical expense insurance in that it is diagnostic and preventive.

2. Restorative

Restorative care means treatments, which restore functional use to natural teeth such as fillings or crowns.

3. Oral Surgery

Oral surgery means operative treatment of the mouth such as extractions of teeth and related surgical treatment.

4. Endodontics

Endodontics means treatment of the dental pulp within natural teeth, such as a root canal.

5. Periodontics

Periodontics means the treatment of the surrounding and supporting tissue of the teeth such as treatment for gum disease.

6. Prosthodontics

Prosthodontics means the replacement of missing teeth with artificial devices like bridgework or dentures.

7. Orthodontics

Orthodontics means treatment of natural teeth to prevent and/or correct dental anomalies with braces or appliances.

B. Indemnity Plans

There are three different types of indemnity plans available, including

- Scheduled or basic plan;
- Comprehensive or nonscheduled plan; and
- Combination of both basic and comprehensive plans.

1. Choice of Providers

Some dental plans limit the insured's choices of providers, but others simply limit the benefits to any qualified practitioner.

2. Scheduled vs. Nonscheduled Plans

Scheduled Plans

Basic or **scheduled plans** pay benefits from a list of procedures up to the amount shown in the schedule. Most plans provide first-dollar benefits without coinsurance or deductibles. Maximum benefits are often lower than the usual and customary charges of dentists who force the insured to bear a portion of the cost.

Nonscheduled Plans

With **nonscheduled plans**, benefits are paid on a reasonable and customary basis and are subject to deductibles and coinsurance. Services are usually divided into three broad benefit categories: diagnostic/preventive services, basic services, and major services.

Know This! Scheduled plans = no coinsurance or deductibles;
nonscheduled plans = coinsurance and deductibles.

3. Benefit Categories

Dental insurance plans typically provide coverage for the following types of treatment.

Diagnostic and Preventive Services

Diagnostic/Preventive Services generally are not subject to coinsurance or deductibles.

Basic Services

Basic Services such as fillings, oral surgery, periodontics, and endodontics may require the insured to pay a deductible or 20% of the balance (the insurer would pay the other 80%).

Major Services

Major Services, such as inlays, crowns, dentures and orthodontics, could either have large deductibles or pay around 50% for services provided.

4. Deductibles and Coinsurance

Most dental plans have a deductible amount such as \$25, \$50, or \$100, which must be met each calendar year. Generally the deductible does not apply to preventive care like cleaning and routine examinations.

5. Combination Plans

Combination plans combine features of both the basic and comprehensive plans. They generally cover diagnostic and preventive services on a usual and customary basis but still use a fee schedule for other dental services.

6. Exclusions

Dental plans typically **exclude** cosmetic services (unless required by an accident), replacement of lost dentures, duplicate dentures, oral hygiene instruction, occupational injuries covered by workers compensation, or services provided by government agencies.

7. Limitations

To help keep costs down, dental plans provide more limitations than deductibles and copayments. Most plans provide for **calendar year maximum benefits** and **lifetime maximum benefits**. Routine exams and cleaning are generally limited to once every 6 months, full mouth x-rays to once every 2 to 3 years, and replacement of dentures to once every 5 years.

8. Predetermination of Benefits

The predetermination of benefits (precertification or prior authorization) clause is found in most dental plans. This service, although generally not mandatory, will allow the insured and the dentist to know in advance what benefits will be paid.

C. Employer Group Dental Expense

Dental plans can be found in the form of individual plans or as group plans provided through the employer. Generally included in an employer group dental insurance plan is preventive care for up to two visits per year. However, it will not provide coverage for cosmetic treatment, and there may be limits on procedures such as braces or other appliances.

1. Integrated Deductibles vs. Stand-alone Plans

Dental expense may be packaged or **integrated** with other health insurance benefits like major medical. In that case the integrated plan may have a common deductible. On the other hand, some integrated plans maintain separate deductibles for the medical and dental portions of the contract.

2. Minimizing Adverse Selection

Dental plans attempt to minimize adverse selection by utilizing probationary periods, where insureds that had no prior dental coverage are likely to have a large number of untreated dental problems. There can also be a limitation on benefits for late enrollees where benefits may be reduced for the first year. Even though dental coverage is regulated by COBRA continuation rules, it is seldom convertible like individual health insurance.

D. Chapter Recap

This chapter explained the basics and different types of dental insurance plans. Let's go over some of the key points:

DENTAL PLANS

Types of Dental Treatment

- Diagnostic and preventive
- Restorative
- Oral surgery
- Endodontics
- Periodontics
- Prosthodontics
- Orthodontics

INDEMNITY PLANS

Scheduled vs. Nonscheduled Plans

- *Scheduled:*
 - Benefits are paid from a list of procedures
 - No coinsurance or deductibles (first-dollar benefits)
- *Nonscheduled:*
 - Pay on customary basis
 - Subject to deductible and coinsurance
 - Diagnostic, basic services, major services

Benefit Categories

- Diagnostic/preventive
- Basic services
- Major services

Deductibles and

- Deductible amounts of \$25, \$50, \$100

Coinsurance

- Met each calendar year
- Typically do not apply to preventive care

Combination Plans

- Combination of basic and comprehensive
- Cover diagnostic and preventive services
- Fee for other dental services

Exclusions

- Cosmetic surgery (excluding result of accident)
- Denture replacement or duplicates
- Oral hygiene instruction
- Workers compensation covered injuries
- Government agency provided services

Pediatric Dental Coverage

- Essential benefit of Affordable Care Act for children 18 years of age or younger
- Available on qualified health plan, stand-alone plan, or contracted/bundled plan