

## **Dental Insurance Misnomer** *by Robert P. McBride, D.D.S., M.A.G.D.*

### **The History of Dental Insurance**

Dental "insurance"\* had its beginning in the early 1970's. It appeared that indemnity "insurance" would encourage those patients who needed or wanted dental treatment to have these services performed. Some dentists began to warn those in leadership positions within our profession of the possible perils to quality that might occur if dental "insurance" companies began to determine diagnosis, treatment and fees for a particular service. In retrospect, these warnings were lightly heeded by many dentists. Could the "insurance" industry actually exert that much control over the dental profession?

### **Dental Insurance As It Is Now**

Like so many encroachments we experience in life, the "insurance" industry was not satisfied with its influence on treatment plans and fee determinations. Eventually, a larger piece of the pie was requested by the industry in the form of "managed" care. This is where dentists who enlist, agree to reduce their fees by as much as 20% to have patients placed in their chairs. Managed cost, not managed care. Current American Dental Association data show that the average dental office overhead is over 70%. What type of care can those offices deliver given this arrangement? It's definitely lose/lose/win for patient/dentist/"insurance" company.

### **There are three primary reasons for the metastasis of managed care into dentistry:**

- Profit potential for "insurance" companies.
- Oversupply of dentists
- A generation of people who have been conditioned to believe that all health-care coverage is a "right".

### **Our Relationship with Dental Insurance**

Our practice was required to make a decision a number of years ago as to whether we would be an "insurance" dependent practice. What precipitated the need for this decisiveness?

- The mounting "ill will" we were experiencing resulting from being caught in the middle between the "insurance" company and the patient. We offer only high-quality care which was being denied due to the companies' "LEAT" (least expensive alternative treatment) policies.
- Countering the inflammatory information sent to the patient, stating that our fees were higher than usual and customary. All my colleagues have experienced this. Since "insurance" benefit maximums have not changed within the past 25 years, their profit level is dependent upon the dentists not adjusting their fees according to normal inflationary processes.\*\*
- The fact that "insurance" companies typically reimburse the patient more quickly than the dentist.
- "Insurance" companies change mailing addresses and phone numbers often, and we were not provided updated information. The flip side of the coin is that employees change "insurance" companies, and again, we were not notified of the change. In many insurance dependent offices, you will find at least one full time employee dedicated to the engendered "red tape".
- Many patients develop expectations that shift their responsibility to the dental office to find out their benefits (annual maximum, remaining benefits, deductible amounts, etc.)

Our primary objective is to provide dental excellence at a fair fee; the "insurance" company's primary objective is to earn a profit for its shareholders. We will gladly assist our patients in obtaining their full benefits, but we will not allow "insurance" companies to dictate the standard and quality of our care.

- The word insurance is defined as "protection against a loss". The term has been used in medicine, as catastrophic loss can occur as a result of sickness or accident. This term has been used in dentistry, but it is a misnomer. "Benefit" more aptly describes the allowance which is negotiated for an employee between his/her place of employment and "insurance" company. All dental "insurance" companies have a table of benefit allowances which rarely exceeds \$1500 per calendar year. This amount is very close to the benefits of the 1970's.

\*\*If dental benefits were to have kept up with inflation such as they have with true insurance, they would amount to over \$10,000 per year.