

## Types of Dental Plans as an Employee Benefit

Dental insurance is coverage that will provide protection with required financial assistance for normal dental care and damage occurred to teeth from accidents, this can be under an individual or group insurance plan. Dental insurance was once a neglected area, but the awareness about importance of dental insurance is increasing. In the past dental insurance was treated only as a perquisite provided by the company to its employees, studies (Human Resource Management Survey-1999) show that 83% of all small businesses provide dental insurance to its employees.

It's advisable for every one to have dental insurance. Dental insurance is more affordable then other medical insurance. In fact dental insurance costs less than 10% of the cost of medical coverage. Like every other type of insurance, dental insurance also offers a number of plans that you can select from. The major types of dental insurance for employees are discussed below:



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### Direct Reimbursement Plan

This plan works on the amount that the company set aside specially for this purpose. In this plan the employees are reimbursed the money that they have spent for dental care. The most positive aspect of this pan is that it is straight forward and does not involve any complex calculations. This plan is widely recommended by American Dental Association. However, a direct reimbursement plan is considered the most expensive alternative to employers.

### Indemnity Plans

These plans are more feasible. Under this plan the amount of premium is paid to the insurance company and the company in turn pays the amount to the dentists for their treatment. Under this plan the insurance company generally uses UCR (usual, customary, and reasonable) for making payment to dentists. However, when the UCR rate used to pay dentists falls short of the dentist's rate, the patient has to make up the shortfall. The insurance coverage under these plans is usually 100% for preventive measures like cleanings, 80% for basic work like a crown or cap, and 50% for major procedures like oral surgery.

### Managed Care Plans

These plans are considered by most as the least expensive. These plans include some cost control measures and are best suited for small business. This plan requires the patients to pay a varied amount as co-payment for each procedure. Preventive procedures are normally performed without a co-payment and advanced procedures are carried out with a higher co-payment. There are two types of Managed Care Plans, they are:

#### Preferred Provider Organization (PPO) Program

Preferred provider organization consists of a network of dentists. The dentists who participate in the network have agreed to a discounted negotiated rate. The employees can select a dental office from this pool, if the employees have to go to a dentist not in this pool benefits are reduced and penalties may apply.

#### Dental Health Maintenance Organization (DHMO) Plan

In this plan, employees also have the right to choose the dentist from the pool, but in this plan instead of discounting the fees the dentists provide certain treatments at a scheduled fee. The dentists are paid a fixed amount as fees per individual even if the patient never ever receives the payment.

Please feel free to contact me. I would be happy to answer any questions regarding the worth or effectiveness of your current insurance coverages.

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