

Insurance Freedom Revisited

Dental Town
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In the March issue of Dental Town I shared with all of you the beginning of our office's journey to being insurance free and no longer accepting assignment of benefits. I shared with you how we were implementing our new options and why we chose this path. I wanted to update you on our progress and some interesting things I have discovered along the way.

When we decided to implement our new payment options in the office, I took over the task of explaining the new options to patients. The main benefit I saw for the practice was the increased cash flow at the time of service. This change has truly impacted my job and that of the entire office in a much broader sense than I had previously thought about.

I never really gave much thought to all the little steps that went into each appointment that were tied to insurance. I had done it the same way for so many years it was just part of my daily routine. Now that we are almost through the process of advising all our patients in person that we are no longer accepting assignment of their insurance benefits, I can tell you that my job has been simplified. We are back to the way it was when the practice was just starting out. I actually have time to talk with the patients as they come and go. It has allowed time for me to really let them know how important they are as members of our patient family. Patients have been very accepting of the new options in our office in regards to their dental insurance. There have been a few bumps in the road, but for the most part it has gone smoothly. I ask myself why did we wait so long to get on the right track? Choosing the right words and speaking with each patient face to face I think has helped. A letter just seemed too impersonal. Yes the process has taken a little longer this way but I know it was the right choice for us.

In the case scenarios that follow I have created three fictitious dental practices. Their different methods of payment and handling of dental insurance have a tremendous impact on these dental practices. Can you recognize your practice?

The practice of Dr. "I Have Got It Together:"

This practice no longer accepts assignment of benefits. A patient comes in with a broken tooth that needs a crown to restore it. Their normal procedure is to go over treatment with patient, help the patients with payment option that they are comfortable with, and schedule appointment, maybe even that day. When treatment is completed the patient pays in full either by check cash, credit card or outside financing. They simply post the payment to the account, give the patient a receipt and necessary forms to file their insurance for reimbursement. Patient is extremely pleased with dental work that has been completed and paid for. THE END.

The practice of Dr. "I Am Almost There and Okay With It:"

This practice accepts assignment of benefits but asks for estimated co-pay day of service. The patient comes in with broken tooth. Needs a crown but insists on predetermination because "insurance told me they will not pay without it" and the patient wants to know exactly what their portion will be.. A member of your staff then prints insurance info to claim, attaches x-ray, and places claim in envelope and mails off to insurance for predetermination ASAP. Three weeks later, the insurance company sends back to your office the predetermination, which by the way states it is not a guarantee of payment. A staff member then must contact the patient. Review the treatment needed and go over the predetermination to be sure patient understands. The patient then is advised of their estimated co-pay per the predetermination. The staff member must review payment options in office and find the one the patient is comfortable with to pay their co-pay. Now an appointment can be scheduled. The patient comes in for appointment, treatment is completed and their co-pay is collected. You wait four to six more weeks before an insurance check arrives. Now a staff member must open the check, post it to the proper patient, insurance claim, and procedure in the computer. Then a statement must be printed to send to patient showing insurance payment and requesting their balance because, you guessed it, the insurance did not pay the amount indicated on predetermination.. A staff member then places it in an envelope and mails it. Two weeks later, the patient calls on phone requesting information on why they received a statement when they already paid their portion the day of service. Now a staff member must take time to explain that the insurance predetermination was not a guarantee of payment just an estimate and the balance due is the patients responsibility. The patient felt absolved of all financial responsibility at the time they made their co-payment. They feel that collecting the difference is your problem. The patient is not happy, and by the way the crown feels high when the patients bites on it and needs to schedule appointment for adjustment. And the story continues. More statements, more postage, more staff time on collections.

The practice of Dr. "I Have No Clue"

This practice accepts assignment of benefits and does not ask for any payment until all insurance has been paid. The patient

comes in the practice with a broken tooth that requires a crown to restore it. The dentist does treatment that day and sends the insurance claim off to the patients company. Often the patient does not even know the fee's involved. While waiting to receive insurance payment your office has had to cover the expenses involved with the crown, such as materials used day of visit, lab bill, staff compensation, and of course your hourly chair time. By the time you finally have the insurance check in your office you have already lost money. There are two possibilities now that could occur when, 4-6 weeks later, you finally received the insurance check. The first is the insurance examiner has determined that the tooth should have been restored with just an "amalgam" 4 surface restoration and therefore the benefit allowed is for that service. Wow, now you must submit an appeal and try to get it revised to a crown. More valuable staff time in preparing and following up on appeal. Or the second possibility is that insurance does pay on crown as submitted. In either case the practice is now faced with posting the payment to the right procedure, and claim. Then the patient must be billed for their portion. The bill must be placed in an envelope and mailed to patient. Three weeks later, when the practice has not received payment from the patient, a staff member follows up by a telephone to the patient. The patient is quite upset at the call, first of all they had no idea the crown would cost that much or that the insurance would have paid so little. If they had known that they would never have the crown done, they would have had the tooth pulled. Besides the crown hurts when they eat on it and the shade looks off to them when they look in the mirror. This story goes on with repeated visits and chair time used to try to please the dissatisfied patient. Follow up statements, and collections calls to try to clear up balance. So the time and expense to the practice is endless trying to resolve account balance.

We see it everyday in dental practices. Patients are never happy with dentistry that has a balance due.

The new found freedom we have found has opened my eyes to the amount of staff hours consumed by insurance processing. I want to share a few more of the areas I have seen a great impact on.

Opening the mail each day and sorting through all the insurance payments was a task in itself. Posting the mail could vary daily from 30 minutes to two hours, depending on the number of insurance payments we received. There were times that we received so much mail over the weekends that it had become part of my routine to venture to the office Saturday or Sunday evening just to post the mail so as not to be buried on Monday morning. Suddenly, a couple of months ago I noticed that when I would go in on the weekend, that there was very little mail to post. That's when the light went on for me. Yet another way my job has been lightened by no longer accepting insurance assignment! The amount of mail to be posted daily is no longer a task that I must plan my day around to allow time for.

Accounts receivable numbers are monitored very carefully in dental practices. We all know the figures that management consultants tell us. One month to ten weeks production can be considered "healthy". Their percentages vary depending on their philosophy. The accounts receivable numbers are something that, as an office manager, I keep a very close watch over. Anytime I would see the slightest rise in them I was checking to be sure claims were being followed up on and that the patients were following through by sending any amounts that were still outstanding on their accounts. But if you are the dentist or office manager for a practice, you know, as well as I, that even if you were to have a bad production month, you could always count on collections from outstanding insurance claims and accounts receivables to make up for it. This is no longer true when assignment of benefits is eliminated. **WHAT YOU PRODUCE WILL BE WHAT YOU COLLECT!**

Therefore, the clinical area of the practice, > is impacted also. The clinical staff must be well scripted and truly educated on helping patients find it easy to accept treatment plans. If your case acceptance rate is not as high as it should be, you would definitely want to get that up to par before starting on this journey. Fortunately for our practice, this is an area we do not have any trouble with, so we are not scurrying to learn. Our assistants are very well trained in presenting treatment and helping patients understand the importance of good oral health. They no longer are thinking terms of dental insurance coverage, but rather in terms of what the patients wants and needs.

Our hygiene department has taken a very active role in this also. They make sure patients are always aware of the importance of regular visits for their dental check ups and no one leaves their chair without scheduling their next recall visit. They work hard to keep their schedules full and productive. They educate their patients regarding their dental needs and that insurance companies are not always looking out for the patients best dental health. Six months recall visits do not work for all patients as their insurance has led them to believe. Perio disease requires more frequent visits. Our hygiene department looks at each patient's individual dental hygiene needs regardless of insurance.

When a patient has completed their treatment for the day, they are billed out and processed at the front desk. I ask them for payment on the day of service unless other means of outside financing have been arranged. I give them a printed receipt for the day and also print for them an insurance claim form with all insurance information regarding their visit. I show them where it is indicated that payment is to be directed to the insured. I place it in an envelope so they can mail it.. All they have to do is put on their return address and a stamp on the envelope. I also give them a copy of the claim for their records. And get this, they actually thank me for being so helpful. I have had patients tell me this is so easy, I got my insurance check in 10 days.

As I have seen in our practice, the journey to complete fee for service dentistry with no insurance involvement has impacted far more than just the patients. It has certainly given me space to breathe, an opportunity to get back to dentistry and stop pushing insurance papers. I no longer feel that there is no end to my day. Of course we all have some days like that, but I am not exaggerating when I tell you ALL my days were like that. No longer. I am very proud of the decision we made to be insurance free, it has been a lot of work, but oh so worth it. We are a practice that provides its patients with high quality dental care. We take the time to do the little extra things to insure their personal comfort in our office, as if they were members of our own family.

In February of 2000 I told Dr. Hedge, by October 1st of this year my goal is to have this practice, not only insurance free but with our accounts receivable at ZERO. It has started to unveil itself as being an accomplishment that might be met even before then. This will be exciting! I look forward to managing and being part of a practice where the accounts receivable is zero and dental insurance questions and problems do not consume my time.

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