

# INSURANCE INSIGHTS



BY  
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## What Good Is Fee Data If We Don't Do Our Part?

It has been said time and time again that one needs to follow only three rules to profit in real estate: Location, Location, Location. There are also only three rules in financial investing: Diversify, Diversify, Diversify. Similarly, there are three rules of interpreting dental benefit plans: Contract, Contract, Contract.

Dental benefit plans come in different shapes, sizes, and flavors. The greatest controlled variable in dental plan design is the number of dollars invested to purchase and administer the plan. The higher the premium, the better the reimbursement generated by the plan. More costly benefit plans generally reimburse at the true 90th percentile of submitted fees, while more cost-effective plan designs may reimburse at 65% to 80% of the 75th percentile, and non-traditional benefit plans will reimburse based on time, not procedure.

So, why the continued confusion concerning fees and fee scheduling? Do we think our fees are unreasonable? Do we fear giving away the store? Are we concerned that our patients will receive that dreaded letter from the insurance company informing them that our fees are too high? Or do we simply want the most reasonable reimbursement for the service we perform?

The interrelationship of fees is critical. For example, we stress the equal relative value of the two-surface amalgam (D2150) and the importance of its being equal to the fee of a one-surface composite (D2330). With this data, we're not telling you how to practice or what your fees should be, but we are telling you that properly interrelated fees will produce a fee schedule that is both balanced and profitable.


Your fees need to be reasonable. Once you have established a viable and realistic fee schedule, you shouldn't deviate from it unless an individual patient presents with unusual complications. Of course, it is always within the professional's domain to increase fees when the situation involves more than typical complications and/or problems. Most benefit plan consultants are allowed to increase the appropriate reimbursement for any coded procedure up to a range of \$100 or 25%, when an acceptable narrative with a short description of the complication is submitted.

It is unacceptable for the dental office to have a range of fees for an individual procedure. A fee that ranges from \$50 to \$70 will most often be accepted at \$50 and questioned at \$70. It would be far more professional and appropriate to list \$60 for the procedure and add 20 percent, 50 percent, or 100 percent when an unforeseen complication occurs. Of course, you must inform the patient about any such complication and describe it with the claim.



Now, let's talk money. I'm talking about cash, green coupons, and dead presidents. For the time being, let's forget about checks and credit cards. Let's talk cash. Don't you love it when patients pay in cash? Is it just me or is there something slightly euphoric about the smell and feel of new, uncirculated bills? How about that smirk on Ben Franklin's revised \$100?

Do you want lots of cash in exchange for very little investment? Ever think about the potential of your state lottery? What does it take to win the lottery? What do all lottery winners have in common? Do all the winners have lucky rabbits' feet or old Indian Head pennies? No, they simply took the time to buy lottery tickets. The facts are simple: if you don't buy a ticket, you will never win the lottery.

If your patient doesn't agree to be responsible to your office for your total fee charged in the absence of an individual benefit plan, you are simply trying to win the lottery without first purchasing a ticket. 



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