

Direct Reimbursement

Direct Reimbursement (DR) is an innovative approach to self-funding a company's dental plan. DR is strongly supported by the American Dental Association and many plans benefit professionals as a simple, cost effective way to provide a dental plan for employees - one that gives them complete freedom to choose their dentists.

Frequently Asked Questions:

What is Direct Reimbursement?

Direct Reimbursement plans may take many forms, but all DR plans share three essential elements: 1) they are self-funded by the employer; 2) they allow freedom to choose any dentist; and 3) they reimburse patients based on dollars spent on dental treatment, not based on type of treatment received.

How does DR work?

With a DR plan in place, the covered individual visits the dentist, receives treatment and arranges for payment, and later presents a paid receipt or proof of treatment to the employer for reimbursement. The employer then reimburses the employee directly, based on the company's plan design. The plan design will vary according to a company's budget.

How does the dentist process a DR patient's payment?

A patient with a DR plan needs a simple statement of services and a receipt showing that treatment has been received and payment has been made. Typically the standardized ADA claim form will suffice, and no subsequent action should be required.

Some companies administer the plan themselves and others use a third-party administrator (TPA) to process and reimburse claims. In addition, some employers offer DR with an *assignment of benefit*, which shifts the requirement of payment from the employee and places it on the TPA or on the company. In this case, when the dentist does not collect payment from the patient, he or she would fax or mail the claim according to the information listed on the employee's ID card.

Benefits of the DR Plan:

To the patient

- Simple to understand.
- Freedom to choose any dentist for treatment.
- Reimbursement based on dollars spent, not type of treatment received.
- No pre-authorization requirements.

To the employer

- Cost control through the use of co-payments and annual maximums.
- No premiums. Instead, payment is made for those employees who actually visit the dentist.
- 90-95% of the dental benefit dollar is spent on actual dental care, not on the overhead, staffing, advertising or marketing of a third-party insurance company.
- Fewer employee complaints about dental plan.

To the dental office

- Preserves dentist-patient relationships.
- Reduces paperwork and red tape in office.
- Allows dentist to determine treatment with the patient, without the interference from a third-party.
- Encourages fee-for-service, freedom-of-choice dentistry.

Resources

The ADA and many constituent dental societies have developed free resources to assist your dental office in promoting DR to patients. Please call the ADA's Purchaser Information Service if you would like to obtain any of these resources, or if you have questions about Direct Reimbursement dental plans. The Purchaser Information Service can be reached at 800-621-8099, extension 2746.