



GOOD MORNING



D Y PATIL DENTAL SCHOOL

DEPARTMENT OF
PUBLIC HEALTH DENTISTRY





FINANCE IN DENTAL CARE



Mech.. of Payment for dental care



- 1) Private fee for Service**
- 2) Post Payment plans**
- 3) Private third party pre-payment plans**
 - a) Commercial insurance companies**
 - b) Non profit health service corporation**
 - c) Prepaid group practice**
 - d) Capitation plans**
- 4) Salary**
- 5) Public programmes**

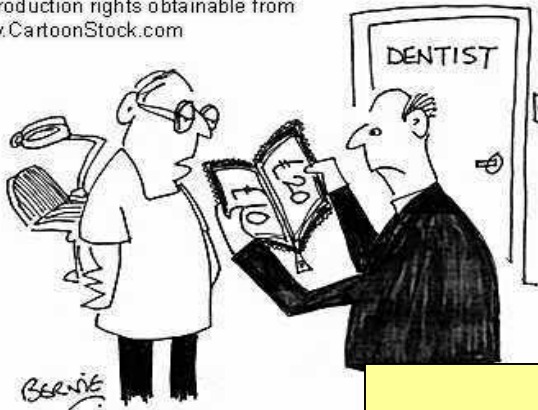
Private fee for service



Advantages:

- 1) Culturally acceptable
- 2) Flexibility
- 3) Administratively simple
- 4) Can be used in expensive situations

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Disadvantages:

Major percent of the population cannot afford dental care

Among dental circles , called as
' the free enterprise system of dental care'

* Open wide.....wider.....wid

Post Payment Plans or Budget Plans

- The individual purchase of service**
- Payments made at intervals over a period of time**

First started in late 1930's, through an organized dental society plan by local dental societies in Pennsylvania and Michigan

Under budget Payment Plans



Patient borrows Money from the Bank or Finance Company

Which will be paid to the Dentist for his service

Application, approved by the lending Institution

The dentist is paid the entire fee

Then patient repays the loan to the bank in budgeted amounts



ADVANTAGES:

- 1) Helpful for middle income people.**
- 2) Primarily used to Finance prosthetic and other costly Treatment**

DISADVANTAGES:

- 1) Lower income people Cannot use to the full**
- 2) Problem of defaulted loans**

Private third Party Prepayment Plans





THIRD PARTY PAYMENT

Definition:

“ as payment for service by **some agency** rather than directly by the **beneficiary** of those services”



- 1ST** PARTY- DENTIST
- 2ND** PARTY - PATIENT
- 3RD** PARTY - ADMINISTRATOR OF FINANCES

THIRD PARTY :

Definition:

“The party to a dental prepayment contract that may collect premiums , assume financial risk , pay claims and provide administrative services”

Traditionally insurance involves:



A group of people

makes small payments
to cover

the risk of any one suffering from
catastrophic loss

Ex:

loss of home through fire, trauma etc

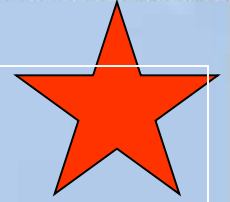


BASIC PRINCIPLES:



TO BE INSURABLE , A RISK MUST:-

- **Be Precisely definable**
- **Be of sufficient magnitude, if occurs, should cause a major loss**
- **Be infrequent**
- **Be of unwanted nature ex: accidents , fire etc**
- **Beyond the control of individual**
- **Not constitute a moral hazard**



Different ways an insurance carrier works:-

Payments either by

- a) Deductible (FRONT END PAYMENTS) –Flat sum paid**
- b) Co-insurance, Paid in percentages,**

“LIMITATION OF BENEFITS”

c) Group Insurance

Reimbursement of dentists in prepayment plan



FEE DETERMINATION

U C R - Usual fee

Customary fee

Reasonable fee

Usual fee



“The fee **usually charged** for a given service by an individual dentist to private patients i.e. his / her own usual fee”

Customary fee

“A fee is customary when it is in the **RANGE** of the usual fee charged by dentists of similar training and experience for the same service within the specific and limited geographic area”

Reasonable fee



The fee is **REASONABLE** , if it meets these two criteria's or if it is justifiable considering the special circumstances or the particular patient in question.

Can be made by,

- Responsible association
- Review committee
- Special circumstances
- Particular patient in question

Table of Allowances



- Has a list of services covered
- That assigns each service a sum that represents the total obligation of the plan with respect to payment for such service
- This assigned sum **NOT** necessarily represent a dentists full fee for that service

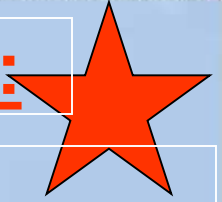
THIRD PARTY FEES Rs 80/.



FROM PATIENT COLLECTS Rs 20/.

DENTIST'S FEES Rs /100.

A. COMMERCIAL INSURANCE PLANS:



FEATURES:

- Charges **higher Premiums** allowing bigger profit margins
- **Very selective** about the group selection for dental insurance
- Claims **no obligations** towards the dental health of the community
- Payments made directly to patients or the dentist
Through the patient
- Most case dentist do not file the **UCR fees**
- **Do not conduct fee audits** and **post treatment Dental checkups**

B. Non Profitable Health Service Corporation



**Delta Dental Plans /
Dental Service Corporation
Health Service Corporation:**

Dental Service Corporation



**Legally constituted Non –profitable organization
incorporated on a state by state basis**

**It's the subject to the insurance laws thereby
negotiates, allowing to grow**

**Started as National association of dental service plans
(NADSP) JUNE 1966**

**Name changed to DELTA DENTAL PLANS ASSOCIATION,
APRIL 1969**

MEMBERS:



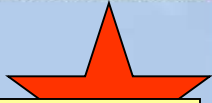
**BOARD OF DIRECTORS (DENTISTS)
REPRESENTATIVES OF WORLD OF FINANCE,
INSURANCE, LABOUR AND CONSUMER GROUPS**

**Reimbursement of Dentists
By UCR Fee.**

FUNCTIONS



- 1) Ensures quality and care provided
- 2) Keeps the cost within limits



PARTICIPATING DENTIST

REIMBURSEMENT OF DENTIST

NON PARTICIPATING DENTIST

PARTICIPATING DENTIST

Is any duly licensed dentist with whom delta dental plan has a contractual agreement to render care to covered subscribers

CONDITION:

- PREFILING OF THEIR USUAL AND CUSTOMARY FEE**
- PAYMENTS AT 90TH PERCENTILE**
- CONDUCTS AUDITS**
- POST TREATMENT CHECKUPS, WITHHOLDS SOME MONEY , GOES TO DELTA CAPITAL RESERVE FUND**

90th Percentile

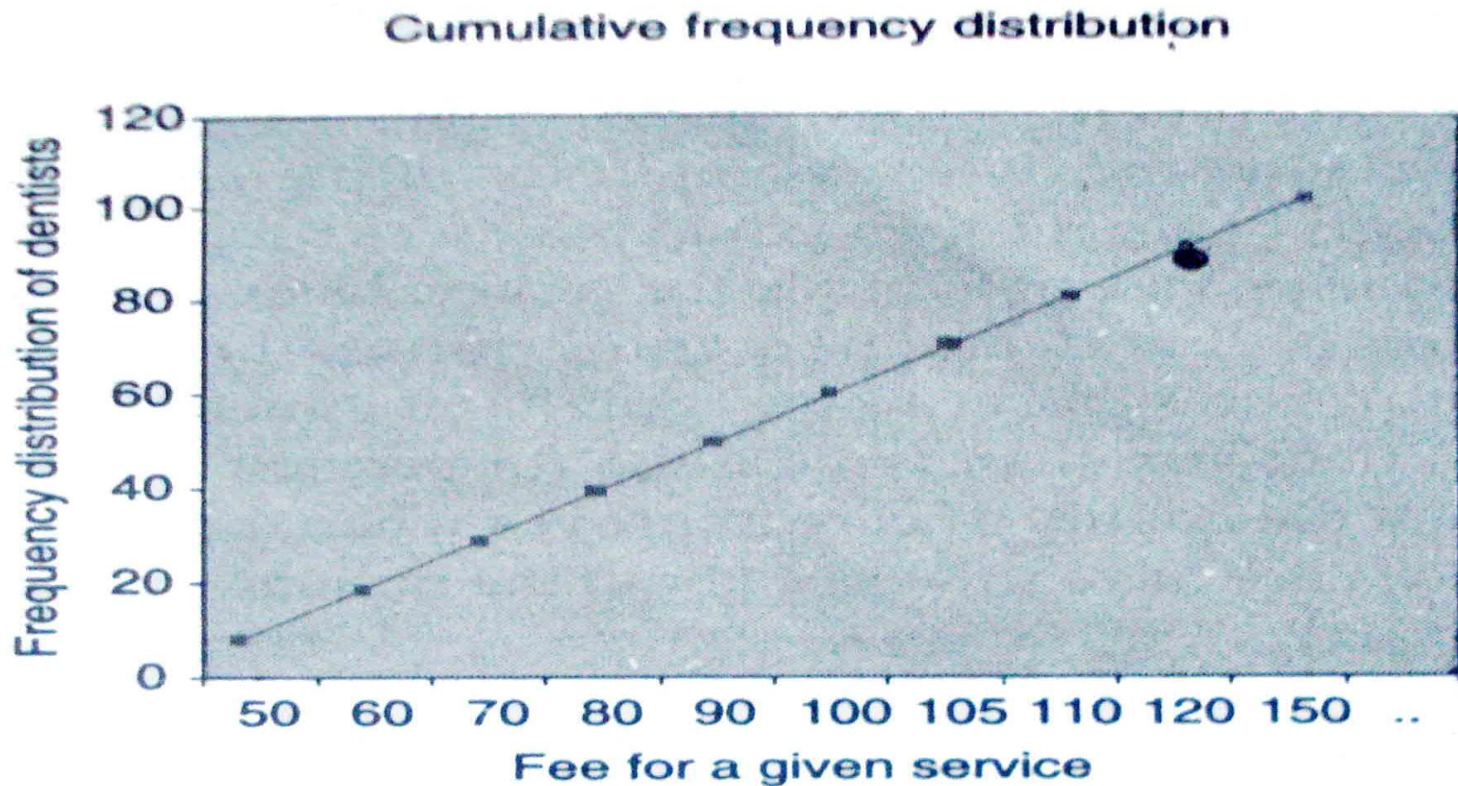


Fig. 14.1. Cumulative Frequency Distribution of Fees for a given Dental Service (See in colour: Plate 1)

Advantages of delta plans

- Control of cost
- Quality assurance procedure
- No need to pay extra



There by encourages regular attendance maintains good dental health of the society by various services



Commercial v/s delta dental plans:

Commercial companies are better because

- 1) Expertise in Promotion and Marketing
- 2) Presents attractive total health packages
- 3) Take the risk to offer reduced dental premiums

.i.e. **LOSS LEADER** , in order to get a **TOE-HOLD**
on the market

Health Service Corporation:



Blue cross/ Blue shield

Offers **limited dental coverage** as apart of medical/ surgical/ and hospital polices

Has similar cost control features pioneered by delta plans

Dental coverage are limited to services provided in the hospital (constituting minor proportion)

It does **not put its hand** into dental prepayments

C. PRE PAID GROUP PRACTICE





Net income in a group is divided equally and paid according to

**Patient load,
Years of service,
Specialty status.**

Advantages

Multispeciality

Can enjoy vacation leaves

In case of illness

Quality will improve because of built-in peer review

Financial benefits like sick leave and pension plans....

CLOSED PANEL



- Public or private programme can receive these services only at specified facilities from a limited number of dentists.
- it has been charges as unethical practice.
- Controlled by lay persons.
- All licensed dentist may participate.
- The beneficiary has choice from among all licensed dentists.
- the dentist may accept or reject the beneficiary.

OPEN PANEL

Health Maintenance Organisation:



DEFINITION:

As a legal entity which provides a prescribed range of health services to each individual who has enrolled in the organization in return for a prepaid , fixed and uniform payments

Provides comprehensive health maintenance and treatment service

.i.e.

Primary care

Emergency care

Hospital care

Rehabilitation



Different types of dental personal in HMO

- **STAFF MODEL** – salaried employees.
- **GROUP MODELS** – contracts with a group
- **INDEPENDENT PRACTICE ASSOCIATION** – open panel
- **PRIMARY CARE CAPITATED NETWORK OR DIRECT CONTRACT MODEL** – network is similar to IPA except HMO contracts individual provider for provision of services.

D. Capitation Plans



- The dentist receives an established, negotiated sum on a monthly or yearly basis for each liable patient.
- The money is paid regardless of whether the patients utilize care or not
- In return, patient is entitled to receive a prescribed set of services over a specified period



CAPITATION FEES

**Fixed monthly or yearly payments
paid by a carrier to the dentist for treatment**

DISADV:

- 1) Fear of over utilization**
- 2) Demand for expensive treatment**

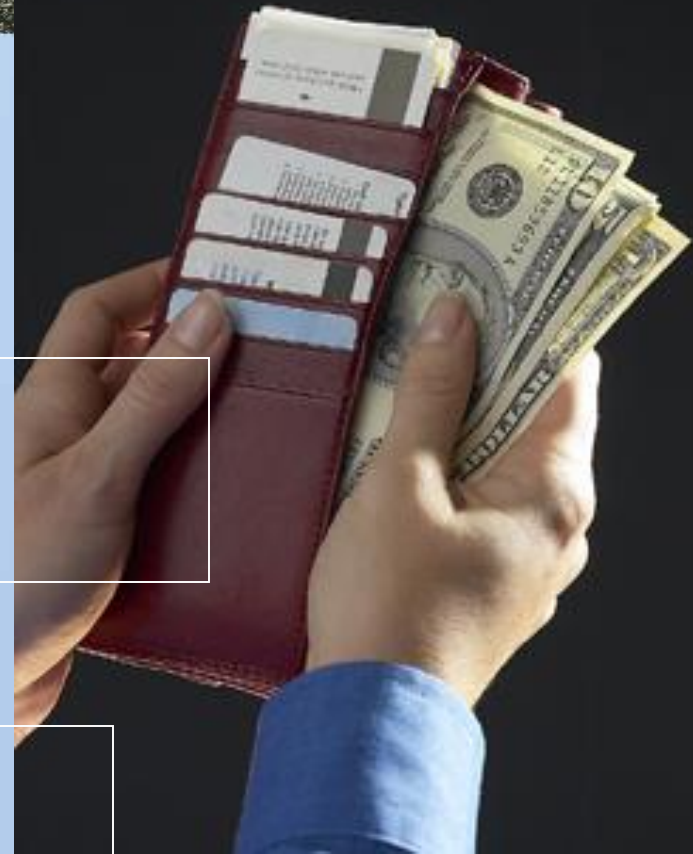
4. Salary :

Advantages:

**Free of business concerns
Good for the starters**

Disadvantages:

**Lack of financial incentives.
For highly productive dentists.**



Public financing of dental care:



- 1) Medicare**
- 2) Medicaid**
- 3) The veterans administration program**
- 4) National health insurance**

Medicare:



Name given to title XVIII of social security amendments of 1965 Removes all financial barriers for hospitals and physicians services for all aged 65 and over , regardless of their financial means

Has **two parts**

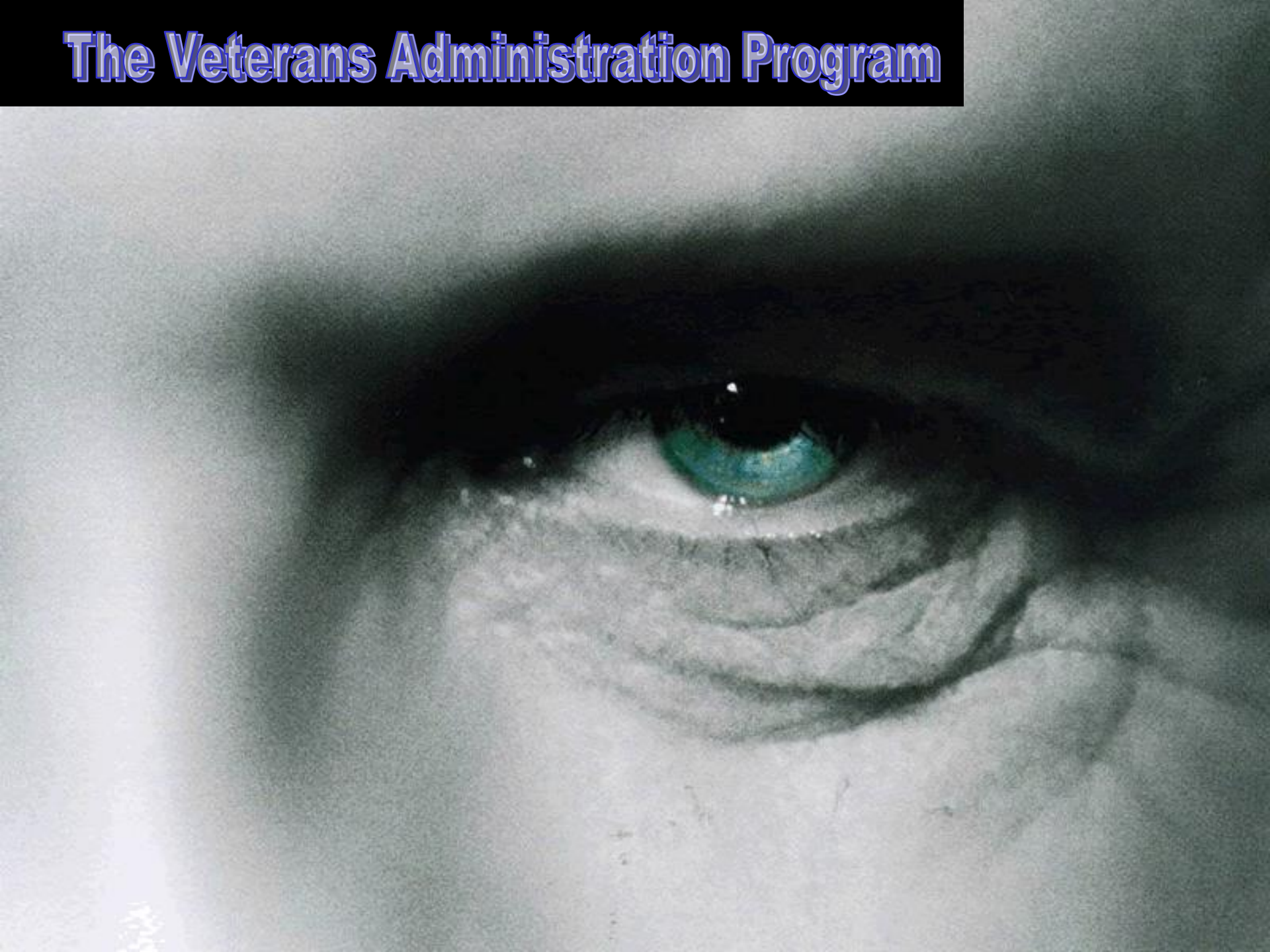
- 1) hospital insurance**
- 2) Supplemental medical insurance**

Medicaid :

Name given to title XIX of social security amendments of 1965

It's a complex program

The Veterans Administration Program



National Health Insurance:



**Introduced by Bismarck in Germany in 1880
and in Britain by Lloyd George in 1910**

**Bases for development was
HUMANITARIANISM**

**They thought that healthy and secure society would
led to **POLITICAL STABILITY AND GREATER
ECONOMIC AND INDIVIDUAL STRENGTH****



In I N D I A



Thank you