



Direct Reimbursement Quick Facts

The following information is provided to determine if DR is the right dental plan for you and your employees.

- ❖ DR plans are self-funded because dental benefits are entirely predictable. The average person incurs less than \$250 per year in dental care expenses.
- ❖ Dental Reimbursement reimburses the patient a percentage of total charges spent rather than tracking individual procedures.
- ❖ There are no excluded procedures except those restricted by federal tax laws or employer design.
- ❖ Usual, Customary and Reasonable fee limits (UCR) and Coordination of Benefits (COB) provisions are not required in Direct Reimbursement dental benefits. UCR fees are set amounts paid by a carrier for benefits, and COB is a plan policy provision designed to eliminate duplicate payments and provide the sequence in which coverage will apply (primary and secondary) when a person is insured under two contracts. The cost of these administrative controls are equal to or exceed any dollars saved.
- ❖ Claims are processed quickly (usually within 2 or 3 days).
- ❖ Checks are written on an account funded by the employer with employer and employee (pre-tax) contributions *as needed*.
- ❖ Because of low administrative costs, 93% to 95% of budgeted dollars are allocated to benefits.
- ❖ Orthodontics can be included and is treated the same as any other dental condition. There are usually no lifetime maximums on orthodontia.
- ❖ The typical indemnity dental plan averages 54% reimbursement of submitted charges. Direct Reimbursement reimburses a higher amount because there are no exclusions, waiting periods, fee reductions, or deductibles.
- ❖ CareFlex can provide all necessary administration, forms, systems, and ERISA compliance materials to ensure quick implementation and successful operations.
- ❖ Aggregate stop loss coverage, while available, is not generally needed with dental benefits.
- ❖ It is not unusual for employers to end the year with a positive balance in their dental benefits account. Employers can often go 3 to 4 years without an adjustment in funding factors.
- ❖ The greatest concern expressed by employers about DR is the apparent lack of cost controls. Under DR the cost of dental care is controlled by the patient.
- ❖ People do not overuse dental benefits and are capable of purchasing dental care the same way that they do other goods and services.
- ❖ The patient is responsible for paying the dentist, either at the time of service or subsequently, after getting reimbursed.
- ❖ Periodic reports are easily generated and show budgeted expenses, actual plan costs, number of claims processed, percentage of incurred claims that are reimbursed and year-to-date loss ratio.
- ❖ Claim funding factors can be calculated from actual claims experience, if available, or are based on average costs for the type of industry, geographic location and plan design quoted.