

# DENTAL DIRECT REIMBURSEMENT

## *Want to Know More?*

*Dental Direct Reimbursement (DR) is quickly becoming the dental plan of choice among companies who want a simpler, more cost-effective way to offset rising dental insurance premiums and provide employees with quality dental care.*

*Here are answers to some of the questions that employers ask about DR. If you have other questions, please contact Riedmiller & Associates. We're here to help you.*

### **How does Dental Direct Reimbursement (DR) work?**

Dental Direct Reimbursement (DR) is known not only for its cost-effectiveness, but also for its simplicity. Under DR, an employee and covered dependents visit the dentist of their choice, receive treatment, and usually pay the cost of treatment directly to the dentist's office. The employee presents the receipt or proof of treatment to the plan administrator (usually either the employer or a third-party administrator). The employee is reimbursed for all or part of the expense, depending on the plan design. DR plan design varies, usually based on the company's budget.

### **What's different about DR?**

DR benefits are based on dollars spent on care, rather than type of treatment received. Detailed claims reviews are eliminated, as well as hassles about coverage. Patients can plan the appropriate treatment with their dentists without the involvement of a third-party payer or insurer. Meanwhile, the employer ultimately controls costs by the plan design and annual maximum reimbursable amounts.

### **What are the benefits of DR for my employees?**

Some of the advantages to employees are the following:

- Employees are pleased to receive dental coverage that is simple to understand.
- With DR, they are free to select the dentist or dental specialist (such as orthodontist or periodontist) of their choice.
- Employees can decide on appropriate treatment and determine in advance their share of their dental expenses.
- They appreciate the prompt reimbursement of claims under DR, as compared to the often delayed payments under traditional plans.
- Benefits cover all types of dental needs, with no insurance company restrictions. The needs of both young and older employees are covered.

### **If DR removes restrictions, fee schedules, exclusions and pre-certification, won't my costs go up because of overutilization?**

No. Data shows that removal of these restrictions makes the plan easier to understand and administer, but it does not increase the cost to an employer who offers DR. There are several reasons for this:

- With DR, the patient is not insulated from dental costs, as often happens in traditional plans. As a result, the patient becomes more aware of true dental costs and more involved in treatment and charges made.
- With DR, employees understand that the dental allowance is limited. They are more inclined to seek a dentist that provides the best value for their dental dollar.
- DR plan design usually includes measures such as cost-sharing and annual maximums, which protect the employer against discretionary utilization and wide fluctuations in benefit costs.

### **I understand that Direct Reimbursement saves money because administration is done in-house.**

Exact administrative costs for DR are harder to identify than a traditional plan, but they are known to be considerably less. The cost often may simply be part of a daily



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*Want to Know More? (continued)*

clerical function. Some employers elect to have a third party administrator manage the reimbursements and recordkeeping. These charges are usually modest—5% to 8%—and still considerably less than the 12% to 35% of every premium dollar under insurance company plans.

**My company employs only a few people. Should I consider DR for my company?**

Yes. There are successful DR plans in place for companies as small as two employees or as large as 60,000 employees.

**How do I develop a cost-effective DR plan for my company?**

For assistance with DR plan design, contact Riedmiller & Associates. Riedmiller & Associates will help estimate your plan cost, as well as assist with plan design and implementation.

**Does the American Dental Association (ADA) or other professional organizations support DR?**

Yes. The American Dental Association (ADA) strongly supports DR as an innovative, simple, “cost-effective way to provide dental coverage for employees that gives them the freedom to choose their dentists.” It is also supported and endorsed by many state and local dental societies, such as the Ohio Dental Society and the Indiana Dental Association, who also see its value both economically and in promoting oral health. The ADA, as well as state organizations, are available to assist you with any questions or concerns you may have.

**How do I know if DR is right for my company?**

Riedmiller & Associates can assist you with more details about DR and help you determine whether it’s right for your company. DR is the plan of choice for companies of all sizes and industries. If you want a dental plan that’s simple, flexible, and cost-effective, it’s likely that a Dental Direct Reimbursement plan would be a smart move for you.

**For more information**

Contact Riedmiller & Associates at [info@riedmiller.com](mailto:info@riedmiller.com) for more details or to request a cost estimate for your company. See why Dental Direct Reimbursement may, quite simply, be a smart move for you.



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