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Negotiating Reimbursement Rates with a PPO Plan

By Dana Moss

As a dental insurance coach, the primary frustration I hear from practices is, “we constantly are fighting with insurance companies.” Dentists frequently tell me that they hope to no longer participate in any benefit plan network one day. Until that time, they must find a way to best manage the reimbursement from benefit plans accepted by their practice.

There are advantages to becoming a strictly fee-for-service provider, but it’s not all rainbows and unicorns. Most fee-for-service practices will still need to work with benefit plan administrators somehow. Patients will still expect you to explain their benefits, provide treatment costs, and estimate reimbursements, even when paying in-full, out-of-pocket. Most participating providers we encounter would love to drop out of networks, but competition is so fierce it is risky to do so. In other communities

participation can set you apart from the non-participating competition to grow a practice.

If dental teams followed a few basic concepts, participating with insurance providers could become profitable. For instance, negotiating the insurance allowable is a great way to increase the bottom line. Low allowances can make dentistry less enjoyable, especially if you fear that the practice is “losing money” performing specific procedures for in-network patients. Negotiating the allowances is imperative for the success of a practice with a large PPO patient base.

Negotiating doesn’t have to be intimidating, and some take to it naturally, but it is a learned skill for most. Books I recommend on the art of negotiating include *Negotiating the Impossible* by Deepak Maholtra and *Crucial Conversations* by authors Kerry Patterson, Joseph Grenny, Ron McMillan,

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and Al Switzler. These books help build confidence and give solid advice on mastering negotiating skills.

Negotiating with benefit plan representatives won't be intimidating, scary, or even unthinkable if you prepare and are well-rehearsed. Using the four steps outlined below can help you achieve positive financial results. (Important note: Be sure to keep detailed records of all information gathered from each phase to guide you in negotiation.)

Step one: The foundation

1) Before beginning negotiation, ensure your practice's foundation is solid. Fees must be "balanced" for the current year. Fee balancing is setting office fees in the correct percentile for your practice and area. The Michigan Dental Association and some dental supply representatives can provide quality data on area fee schedules.

You can order the MDA's free survey of dental office fees at store.michigan-dental.org. Always base office fees on current data, not a hunch. Concentrate only on the data that will help with your negotiation. I recommend adjusting office fees at or above the 80th percentile for their ZIP code for most offices. If your fees are above the 80th percentile, do not lower them. Keep those fees where they are.

2) If you are hesitant to raise fees for fear of losing cash-paying patients, consider creating an in-office membership/loyalty plan. The MDA endorses Quality Dental Plan for in-office plans; visit mdaprograms.com to learn more.

3) Always bill your *full* office fee to the insurance company, not the insurance allowable. Plan administrators will adjudicate for their allowed fee, and submitting your full fee helps update their database to know when their fee schedules are falling behind. If we could repeat this simple advice a thousand times, we would. It's *that* important.

Step two: Gather initial information on each current participating plan

1) List the benefit plans each provider in the office has contracted with.

2) Determine how many patients the office sees with each plan.

3) Determine which companies you want to negotiate with based on the impact on your practice and their need for improving their coverage. Don't assume a benefit company will refuse to negotiate; you won't ever get what you want if you never ask!

4) Note when the last time was that you negotiated or received a new fee schedule or increased fees from these companies.

5) Investigate the market within a three-to-five-mile radius. How many neighboring colleagues are in-network with the carrier with which you are considering for negotiations? Here's a tip: Go to the insurance websites as if you were a patient searching for a participating dentist in your ZIP code.

After gathering this information for each plan, target the ones for negotiation. Keep in mind that some benefit companies will not negotiate if they have updated the practice's fee schedule within the last 12 to 24 months. Consult your provider contract for guidance.

If you are considering participation with a plan:

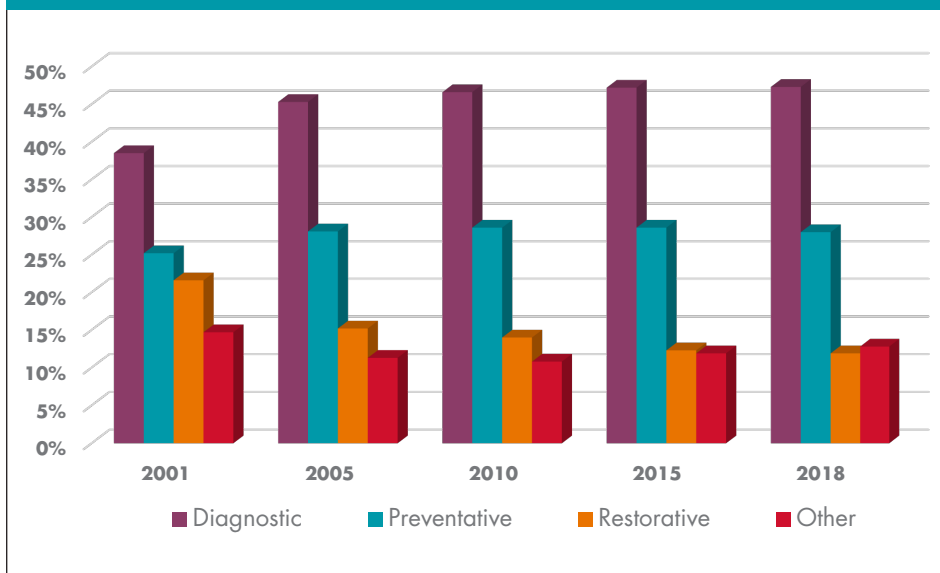
1) Calculate the practice empty chair time to determine if the practice can accept an influx of plan members.

2) Investigate which local employers offer this plan and how many employees and dependents choose to have the coverage.

3) Investigate how many providers within a three-to-five-mile radius of your practice are already in the network you are considering. (Again, go to the insurance websites as if you were a patient searching for a participating dentist in your ZIP code.)

4) Don't judge a fee schedule by its allowances for big-ticket items like

Figure 1 — Volume of Dental Procedures by Procedure Type, 2001–2018



Source: American Dental Association Health Policy Institute Analysis of FAIR Health Database, 2001-2018.

crowns. Remember, the most frequently provided services in a dental office are preventive and diagnostic, followed by restorative care.

Most dental practice management software programs can run a report on the services that your practice has provided over the past year. You can use this information to help you better understand those services that you provide most often. You can then review this information to decide which benefit plans would be the best to negotiate with on becoming a participating provider.

Step three: Preparing for negotiations

For current participating plans:

1) Create a spreadsheet listing the top most frequently provided services by the practice and their dental codes, along with the corresponding reimbursement for each of the top six benefit plan fee schedules in the practice.

2) Call the provider relations line for each company selected for negotiation and ask the following questions:

■ Is there a local representative

for the company?

■ If no, ask who to speak with regarding possible fee schedule negotiations.

■ If yes, ask for their name and number to schedule a meeting.

When negotiating with a plan for becoming a participating provider:

1) Follow steps 1 and 2 above.

2) Call the representative to get a sample contract and fee schedule.

3) If needed, follow step 2 above for participating plans, call the provider relations line and ask the questions!

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Figure 2: 25 Most-Frequently Provided Services¹

Procedure	Description
00120	Periodic oral evaluation — established patient
01110	Prophylaxis - adult
00274	Bitewings — four radiographic images
00220	Intraoral — periapical first radiographic image
01206	Topical application of fluoride varnish
00230	Intraoral — periapical each additional radiographic image
01120	Prophylaxis — child
02392	Resin-based composite — two surfaces, posterior
00140	Limited oral evaluation — problem focused
00150	Comprehensive oral evaluation — new or established patient
02391	Resin-based composite — one surface, posterior
04910	Periodontal maintenance
01208	Topical application of fluoride — excluding varnish
00272	Bitewings — two radiographic images
00330	Panoramic radiographic image
01351	Sealant — per tooth
07140	Extraction, erupted tooth or exposed root (elevation and/or forceps removal)
00210	Intraoral — complete series of radiographic images
02740	Crown — porcelain/ceramic substrate
07210	Extraction, erupted tooth requiring removal of bone and/or sectioning of tooth, and including elevation of mucoperiosteal flap if indicated
02393	Resin-based composite — three surfaces, posterior
02950	Core buildup, including any pins when required
04341	Periodontal scaling and root planing — four or more teeth per quadrant
02331	Resin-based composite — two surfaces, anterior
02330	Resin-based composite — one surface, anterior

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You now have the information needed to begin negotiations. Organize the information by benefit carrier. Keep detailed records of who you speak to and when. We recommend that your team gather the information needed and the dentist does the actual negotiating. If this is not feasible, have your best communicator negotiate.

Step four: Emotional rules

Let your soft side come to play. Remind yourself that you are not “fighting.” It’s a negotiation, not a war.

Rule #1: Be nice. Never threaten to leave their network. They will accept your release letter with a smile. If you leave their network because they will not negotiate, that is another story. Do not bluff.

Rule #2: They are always right, and persuade them to see your side. We have many practices who do a great job with emails stating their reasons for needing an increase — rising team wages, PPE costs, lab bills, supplies, etc.

Rule #3: Humility goes a long way. Thesaurus.com defines humility as unpretentiousness, modesty, and unassuming nature. Do not assume you

Negotiating benefit allowances is not easy, but the rewards are well worth every effort. This is the opportunity to not only survive in a PPO practice, but to thrive!

know it all, and remember that representatives are people doing their job.

Rule #4: Build a relationship with them. (You are good at this; remember, quickly making friends is what we do each day with patients.) Here at PPO Dental Consulting, we have built wonderful relationships with representatives across the nation. For example, we learned that a payer representative in Dallas hates driving on the ice. When it ices in Dallas, we email her to ask how she is doing. Building relationships is like money in the bank.

Rule #5: Use their name a lot. Just like patients, everyone loves to hear their name, and it means the listener is paying attention to them and values them.

Every conversation you have with

the insurance companies will vary based on whether you are in-network or considering participation with the companies. The following bullet points are steppingstones to guide the conversation.

■ “I would like to negotiate the fee schedule we have with you” or “The fee schedule sent to our practice is a little low. Is there anything we can do about this so that we can consider participating in helping serve the many patients in my community, including employees with [use a large employer’s name here].” The first one to speak after this statement loses. Wait for a response. Do not rush to fill the silence.

If you must email, state your case and ask if you are eligible for a fee schedule review. If the answer is “yes,” then great! Get a new fee schedule and keep asking for more until their answer is “no.”

If “no,” ask them why: “Is there a reason we cannot negotiate?”

Now it’s time to introduce your research into the conversation and explain why the fee schedule should be increased:

■ How many patients the office currently sees with their coverage

■ How many employers are in your area providing their plan.

■ Share your spreadsheet with them, showing other fee schedules, and ask for some help with their fees.

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This is only a guideline, and these conversations can go in many different directions. In summary, when you prepare to negotiate, please don’t forget the rules. Negotiating benefit allowances is not easy, but the rewards are well worth every effort. This is the opportunity to not only survive in a PPO practice, but to thrive! ●

Reference

1. Based on Delta Dental data, June 2022.

About the Author

Dana Moss, founder of PPO Dental Consulting, is a PPO business coach with a focus on dental insurance. She is a money finder, PPO practice builder, and team motivator, ready to empower dental practices to increase profitability without sacrificing service-oriented care. She has worked as a front office coordinator, insurance specialist, office manager, and practice administrator. Her years of experience in leading PPO practices bring firsthand knowledge of what it takes to be profitable in today’s dental insurance world.

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