

Understanding the Metrics of Dental Networks

Producers add value to clients by helping them understand network nuances

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Dental insurance is one of the most in-demand employee benefits today. Two key components that many employees want incorporated into their dental plans are choice and flexibility. Participating Provider Organization networks (PPOs) in dental plans offer employees just that by providing access to the dentist of their choice at contracted prices for the dental care that they receive.

However, producers need to help employers and employees understand that not all PPO networks are the same, and that having access to a large network will not always equal employee satisfaction. There are a variety of different metrics insurance carriers and their providers use to measure the size and scope of their networks. Employers and employees alike need to understand these metrics to best judge which network and plan is right for them and—above all—to realize that just because a network is large does not mean it is the best available.

The Benefits of PPOs

PPOs emerged as a result of both employers and employees placing an increased importance on provider choice and flexibility. In a recent study issued by the National Association of Dental Plans, almost two-thirds of employers, 62 percent, view dental coverage as essential to their benefits packages, a nine-point jump from 53 percent in 2005. The largest increase was reported by employers with 250 to 999 employees—a 16-percent increase since 2005 from 55 percent to 71 percent.¹

PPOs are beneficial to employees because dentists participating in the network agree to provide care based on a specific, negotiated fee structure. This gives both employers and employees guaranteed costs for contracted services. In addition, employees are given a wide variety of dentists to choose from, finding one that they are comfortable with and that is in close proximity to where they live.

Understanding Dental Network Lingo

There is a common misperception among employers when choosing a dental plan: The bigger the network, the better the coverage. In reality, an employer with the help of their advisor should be looking for the dental network that best serves the needs of the company and its employees. In order to do that, however, producers and employers need to understand how dental networks categorize themselves. There are three common terms:

- *Unique Locations:* Unique locations are simply a physical address in which a patient can schedule an appointment with a dentist in order to receive dental care services. An office location is only counted once within the specified geographical area.
- *Unique Providers:* A unique provider is an individual person and can also only be counted once within the geographical area.
- *Provider Locations or Access Points:* A provider location or access point is the combination of dentists (general practitioners or dental specialists) and the office locations where they practice. For example, a dentist may practice in two offices; therefore that dentist is counted twice.

¹ National Association of Dental Plans (NADP) 2008 Group Purchaser Behavior Study.

Provider locations or access points can be the most confusing and inaccurate indicator of a network size. Access points are often calculated by multiplying the number of unique dentists by the locations in which they practice. For example, if four dentists rotate between four offices the access point number equals 16. These inflated numbers often confuse employers and employees. At first glance, it looks as though they have a bevy of options; however, when they go to make an appointment with their dentist of choice, he or she may already be booked.

Choosing the right size dental provider

Some simple steps that producers and employers can take in finding the right fit include carefully evaluating how carriers measure their network. Make sure they are giving you a true count of participating dentists in the geographical area where your client's business is based, in addition to the "access potential". Ideal networks should provide employees with access to dentists of their choice that offer clearly defined contracted rates. Also work with a carrier that has a solid and reliable reputation for providing choice, flexibility and, above all, superior customer service.

Above all, discuss with the employer and the employees exactly what they want in a dental PPO. It's often an overlooked step in the process, but the more information you can get from your clients, the easier it will be to choose the right dental plan. As a trusted advisor to your clients, you know that the approach of "What do you want or need," versus "Here's what we have," works far better for all involved.

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