Dental Benefits: Handling Contract Negotiations

Dentistry faces increasing standards for infection control following the COVID pandemic. To limit transmission, the ADA has issued interim recommendations aligning with those from the Centers for Disease Control (CDC) for infection control and use of personal protective equipment (PPE). The ADA anticipates that the cost of care will substantially increase for dental procedures. Under these circumstances, dental offices may see the need to readjust their fee schedules.

If you are a participating provider with one or more dental benefit plans, you may need to negotiate your fee increases. This negotiation should be done individually, between only you and your plan, and not with or on behalf of other dentists. Before you enter negotiations with a payer, prepare your talking points and do your homework.

- Your strengths: Do you have advantages in terms of access?
 - Number of dentists in your locality
 - Wait times for available appointments, impacting the patients covered under the plan
 - Influx of new patients covered under the plan
- Your numbers: What data do you need to effectively negotiate?
 - o Know which procedure codes generate the highest total revenue for your practice, including:
 - Frequency with which each procedure is reported
 - Current allowed amount (i.e., your current discounted fee)
 - Extent of these procedure codes' contribution to your overall practice revenue
 - Your desired fee for each procedure code
 - Extent of preventive services that your office provides
 - Costs associated with operating your business
 - Patient satisfaction rates (most recent available)
 - Date when your fees were last revised
- Efficiencies you offer: Which of your business practices are favorable to the payer?
 - Electronic claims submission
 - Use of online portals to verify eligibility and benefits
 - EFT enabled for receipt of claim payments
- Review the ADA Survey on Dental Fees
- Use all of the above the information you have gathered to "tell your story".
- Identify the payer's provider representative assigned to your region who you can contact to begin to make your case. This may be someone known to your business staff, typically with the title of "provider relations manager".
- Begin with email introductions. If comfortable, request a phone call or continue making your case in writing.

Dental Benefits: Handling Contract Negotiations

- Always be respectful. Let the provider relations representative know that you value the patients garnered from being a network dentist.
- Be patient and don't give up! The first offer you receive may not be the best offer.
- Request information on whether the carrier leases their network and whether the revised fees will apply to any networks you have been leased into.
- After you succeed, make sure you have copies of all signed documents.
- Check the next Explanation of Benefits (EOB) documents to ensure the fee changes are appropriately reflected.
- Remember to re-negotiate periodically.

It is good practice to always review your contracted fee schedules annually. Additionally, don't forget that it is very important to always report your full fee on the claim form. Several payers set fees based on market rates and the charges you submit will be used by payers to determine maximum allowable fees.

The fee schedules are typically part of the participating provider agreement – a legal contract between the dentist and the third party payer. There are other clauses in the contract (along with documents referenced in the contract, i.e., the provider's office reference manual) that impact the final payment from the third party payer. For example, a policy that bundles the fee for a core buildup with the fee for the crown is typically detailed in the provider's office reference manual along with other processing policies. It is important to review these documents carefully before trying to project revenues and negotiating fees with the payer.

Additional information on contracts and processing policies is available through an on-demand Webinar: Contracts and Processing Policies: Impact on your Revenue

Disclaimer. These materials are intended to provide helpful information to dentists and dental team members. They are in no way a substitute for actual professional advice based upon your unique facts and circumstances. This content is not intended or offered, nor should it be taken, as legal or other professional advice. You should always consult with your own professional advisors (e.g. attorney, accountant, insurance carrier). To the extent ADA has included links to any third party web site(s), ADA intends no endorsement of their content and implies no affiliation with the organizations that provide their content. Further, ADA makes no representations or warranties about the information provided on those sites.