

Waiving the Dental Plan Co-Payment

Your dental plan is a valuable benefit.

Many employers provide benefits, in addition to salaries, as a method of paying their employees. In fact, the benefits portion usually ranges from approximately 20 to 34 percent of the employee's total compensation package.

Independent research conducted by the Ontario Dental Association indicates that, of the benefits provided to Canadian employees, dental coverage consistently ranks as one of the most important and most desirable aspects of employee benefit plans.

In order to be able to offer a dental plan, many employers are developing creative alternatives in the design of benefit plans so that the employee will share in the cost of the dental care. This fact sheet will provide some information to help you understand how one of the most common features – co-payment or co-insurance – works.



What plan limitations are employers using to involve the employee in dental care costs?

Some of the most common benefit plan designs currently being offered are:

- (1) **Annual Deductible Amounts**
In this case, the employee may be required to pay the first \$25 or \$50 claimed every year.
- (2) **Frequency limitations**
Dental plans may limit the number of visits to the dentist each year that will be covered by the insurance plan.
- (3) **Annual Dollar Maximums**
Employers may create a maximum limit (e.g., \$1,500) that the dental plan will cover each year.
- (4) **Co-Payment (or co-insurance)**
Through a sharing formula specified in the dental plan contract, the dental plan may only cover a percentage of the eligible amount claimed. The employee is responsible for paying the remainder.

When are co-payments used?

Co-payments are sometimes applied to diagnostic, preventative and basic services, but they are more frequently applied to comprehensive or extensive services such as endodontics (i.e. root canals), periodontics (i.e. dental implants), prosthodontics (i.e. dental bridge) and orthodontics (i.e. braces). Sometimes your plan will cover 80 percent of the bill leaving you to pay the other 20 percent (an 80 – 20 co-pay), other times, it could be on a 50 – 50 basis, or even other amounts. It all depends on the plan.

How do co-payments work?

Here's how it works: Your dentist bills you for \$100 for your dental treatment. Before the claim form goes to your insurance company, your authorization is required, verifying that the charge is accurate and that you are financially responsible to the dentist for the entire charge. This is an important step because your dental plan may not cover the whole bill. For example, if your plan pays 80 percent of an eligible expense of \$100, your insurance company will cover the first \$80 leaving you responsible for paying the remaining \$20 as an out-of-pocket expense.

Do I have to pay the co-payment?

Yes. It is against the law (insurance fraud) for you or your dentist to conspire to avoid paying the co-payment. Not only is it a violation of the law, but it is contrary to the regulations of the Royal College of Dental Surgeons of Ontario (RCDSO) that regulates the dental profession. This practice is considered professional misconduct and a dentist can lose his license for it, as well as incurring hefty fines, often exceeding \$10,000.

By law, a claim made to an insurance company must be an accurate description of services rendered and fees charged. This is why you are required to sign the claim form before it is submitted to your insurance company.

How would an insurance company know that I did not pay my share?

Insurance companies reserve the right to request that the patient provide proof that the co-payment has actually been paid. If the patient is unable to provide that proof, the insurance company may demand that the patient make financial restitution to the insurance company or it may apply the overpayment to future claims payments.

What if my dentist gives me a discount on certain fees?

Your dentist may do this but this is very different from waiving a co-payment. If your dentist discounts his/her fee to you by a certain percentage, then that discounted fee must be the fee submitted to your insurance company as the whole fee charged for the services rendered.

Your dental plan is a valuable benefit. Before you ask your dentist to waive a co-payment, think about the consequences to you and your dentist.