

February 2020

Exclusively to Clients and Friends
of Advanced Practice Management

BULLETIN

THE DENTAL DOW—2019:

For the mature practices sampled, Practice Production was up **3.4%**. Collections were up **2.2%**. Patient Exams (patient flow) increased **2.5%**. New Patients were down **5.5%**. Crown & Bridge was up **4.6%**. Production per Patient Exam was up 1%.

Production Increase Percentages

2011	2012	2013	2014	2015	2016	2017	2018	2019
2.5%	3.3%	3.3%	4.2%	6.0%	4.1%	6.1%	4.4%	3.4%

Collection Increase Percentages

2011	2012	2013	2014	2015	2016	2017	2018	2019
1.6%	3.5%	2.2%	3.1%	4.8%	3.3%	4.3%	3.5%	2.2%

This was less growth than we have seen since 2013, yet still far better than the .5% collections growth in 2009 and 2010.



Bill Rossi

AT LONG LAST: THE ADA IS SUING DELTA DENTAL

The ADA is filing a class action suit against Delta. They are joined by about a dozen other law firms.

The suit says that Delta's action resulted in less competition for groups buying dental insurance and lower reimbursements for providers.

A brief explanation of a "monopoly" and "monopsony": A monopoly is when a company or group of companies have so much power that they conspire to raise prices that they receive. A monopsony is when a company or group of companies have so much power, they can reduce prices on things they buy. So, Delta was using its monopoly power, in effect, to control fees that they charge groups, while at the same time suppressing fees paid to providers.

What's Inside:

- The Dental Dow—4th Quarter
- The ADA is Suing Delta Dental
- Practice Transitions and Your Peace of Mind
- Heads Up! More Adjustments for Delta Providers
- Changes in Medicare as of January 1, 2020
- Help Your Team Help You

Nationally, Delta controls about 65% of the insurance market. No State has less than 15% Delta, and in some states like Vermont and Hawaii, Delta has almost 100% of the insurance market share.

There are 36 Delta entities. Many state Deltas, but there are some Delta entities that are combinations of States (such as Georgia administers for Alabama, Utah, Louisiana, and others. Vermont, Maine, and New Hampshire are in another Delta entity).

The core of the complaint has to do with collusion.

The various Deltas conspired with each other to agree that they would not invade each other's territory. So, for example, Delta Wisconsin could not try to sell policies to employers in Delta Minnesota, or line up providers in Minnesota.

Presumably, if they did, they might have been able to provide members with more competitive fees and/or pay providers better fees.

The typical nonprofit chief executive makes about \$150,000. They point out that the CEOs of the various State "nonprofit" Deltas average over \$3M annual income (plus perks)! The highest was Laura Czelada of Delta Dental Ohio at \$9,200,000. Nice.

The various Deltas also have over-large reserves. For example, this same Delta (of Ohio) had more than \$200M and liabilities of \$37M. So, there is excessive amounts of money withheld that could have been paid to dentists and

We Believe In You!

We believe that Independent Private Practice is the best way to deliver dentistry. It is best for the patients, the doctors and the staff. Private practices can be more selective with their continuing education and technology. They can also be more adaptable and efficient. **Most importantly, the people who make decisions about patients' dental care are the ones in direct contact with them.** We also believe that professional management support helps **good practices be better** and thrive in a competitive environment.



or caused reduced premiums. The reserves Delta has go far beyond what is required by law.

Those piles of money help Delta make more money, and that also helps support the chief executives and others making top dollar because they're not running a dental insurance company, *per se*; they are running a money company. I suppose there is no big surprise there.

Incomes for physicians have increased from about \$200,000 to about \$300,000 in the period 2011 through 2017. From 2005 to 2016 average G.P. Dentists' incomes decreased from an inflation adjusted \$222,000 to \$189,000.

If the ADA wins, there may be monetary awards to dentists. However, probably the biggest benefit will be that Delta would be restricted from collusion and other high-handed practices in the future.

Although it is very good to see the ADA push back on Delta Dental, it will take a while to resolve this. Our advice to clients is and has been, "The cavalry isn't coming – you are on your own. So, make your own PPO decisions based on factors within your control." And remember: **You have more power than you think!**



Matt Lahn
APM Practice
Transitions

PRACTICE TRANSITIONS AND YOUR PEACE OF MIND

Of course, your (and our) goal when transitioning a practice is to get you a good price. But there's much more than that involved:

- The ongoing care of your patients
- Your team
- Your reputation
- Your legacy in general

Probably the smoothest practice transition is when a senior Doctor sells to a junior associate Doctor. They know each other, the junior Doctor is worked into the practice and its culture, and he or she knows what they are buying. In general, there will be good practice continuity.

But some providers don't have the temperament or the practice situation by which they can groom an associate to buy. If you're in that position, it will probably be an outright sale where someone essentially takes your place.

Naturally, any buyer has an interest in retaining the maximum number of patients. To do so, they need to maintain continuity as much as possible. That means no rapid change in PPO participation, schedules, staff-

ing, practice names and even treatment planning. It also means taking on the practice's culture – at least initially. All these things can eventually be changed (and often are), but for the sake of your patients, your practice, and the buyer, they shouldn't happen too rapidly.

Sometimes buyers and sellers are just too far apart philosophically. That's why we advise the buyer and seller get to know each other a bit. It makes sense for them to have conversations about practice philosophies, treatment planning, long-term plans, and so on. However, these conversations should *never* veer toward negotiating price or terms. No talk about numbers, terms, special conditions, etc. Leave that up to your practice sales facilitator and the buyer's representative. One of the main reasons it pays to engage a professional is to handle those sorts of details tactfully, representative to representative, and reduce the friction and (possibly) animosity between the buyer and seller.

We've seen situations where a quick sale led to a decent pile of cash but miserable consequences otherwise. That's why it's important to have someone who knows your practice - and that you are true to yourself - when you make these transitions.



Heidi Benson

CHANGES IN MEDICARE ARE EFFECTIVE AND BEING ENFORCED AS OF JANUARY 1, 2020

Medicare Advantage Dental Plans:

Many of your senior patients have chosen to purchase these "**Advantage Plans**" as they offer various benefits like hearing aids, eye care and dental.

Most of the Advantage plans we have seen are under Humana, Health Partners, Delta PPO and UCare for Seniors, but there are more than a dozen different plans just in MN.

You have 5 options:

1. You can opt out.
2. You can enroll as an ordering/referring partner.
3. You can enroll as a Part B provider of services.
4. You can enroll as a DMERC supplier.
5. Do nothing (not the same as opting out!).

#1 - Opting Out

If you choose to opt out, please know, you will not be paid by Advantage for ANY treatment in your office.

Your patients, also, will not be reimbursed for the procedure you provided. You are restricted from billing your patient for the services provided at your facility. **NO MONEY!!**

#2 - Enrolling as an Ordering/Referring Partner

We feel this is the BEST option for most of our clients. If you participate with the relevant PPOs that are aligned with Advantage, you will take the PPO write off. If not, the patient will pay the difference and you will get your full fee.

This option also allows you to prescribe medications and order tests for further evaluation for your patient is on Medicare.

#3 - Enrollment as a Part B Provider

Part B is a for dentists providing Medicare covered services such as TMJ or Oral Surgery. They will be subject to the *Medicare fee schedule* when submitting claims for any related procedures. **You could take a large write off.**

#4 - Enrolling as a DMERC Supplier (Durable Medical Equipment)

If you prescribe appliances for your patients. (Sleep apnea and snore guards are the most commonly prescribed items for dental practices.) Your patient will get coverage. You will be subject to large reduction for the services provided in accordance with the Medicare fee schedule. For example: Your charge for the sleep appliance is \$1,200, the allowable is \$300. Write off would be \$900. **Not a good deal for you!!**

#5 - Do Nothing

You take your chances with this option. You may or may not be able to bill your patient. **NOT** a good option in our opinion. There is potentially lots of confusion.

SUMMARY

Option #2, enrolling in ordering/referring partner seems to be the best option for our clients. You will be able to collect from your patients, although it may be at an in-network fee (if you are contracted with the Premier Dental PPO, Delta PPO and other PPO's), but you will get paid.

We have found that about 10% of MN dentists had "opted out". If you are not sure or would like to choose option 2, contact https://www.medicare.gov/medicare-search?global_search=provider%20forms.

Call Heidi Benson or Shelly Ryan if you have questions.

From Medicare Dental Services

Medicare Seniors are told,

"Medicare doesn't cover most dental care, dental procedures, or supplies, like cleanings, fillings, tooth extractions, dentures, dental plates, or other dental devices. Medicare Part A (Hospital Insurance) will pay for certain dental services that you get when you're in a hospital. Part A can pay for. Emergency or complicated dental procedures, even though the dental care isn't covered."

You pay 100% for non-covered services, including most dental care, if you don't have a **Medicare Advantage Plan**.



Shelly Ryan

HEADS UP!

More Adjustments for Delta Providers:

Beginning in December 2019, all Delta of Minnesota claims are now being processed through Delta of Michigan.

While there have been some benefits to this change (a user-friendly new tool kit and a standardized reimbursement schedule), Delta is now requiring providers to take adjustments on services that were previously paid at your full fee by the patient.*

What does this mean to you as a Delta Dental of MN provider? The following is a list of some of the services we identified recently as requiring adjustments, which were previously the patient responsibility.

I used APM's 2019 Fee Survey results' "Metro 75th percentile" as a comparison to Delta's maximum allowable reimbursement amount to help give you an idea of how much the adjustments may be.

MISCELLANEOUS SERVICES

D1208 – Fluoride Varnish – average adjustment \$16

You are now required to adjust your fee to the allowed amount when delivering adult fluoride due to "age limitations" where previously the patient paid your full fee when the service wasn't covered.

Ortho (such as Invisalign) – average adjustment \$630 depending on your fee

You are now required to adjust orthodontics for adults due to "age limitations" where previously you received your full fee. Most aligner ortho done by GPs are for esthetic reasons, so you should not be submitting these cases to Delta anyway. You'll be taking an unnecessary write off.

PROPHY & EXAMS

D4910–Perio Maintenance–average adjustment \$58

D1110–Adult Prophylaxis–average adjustment \$33

D0120–Periodic Exam–average additional adjustment \$19

D0140–Problem-Focused Exam–average adjustment \$35

If the patient's plan has a frequency limitation of 2 per year, you are now required to adjust your fee to the allowed amount, where previously it was the patient's responsibility.

X-RAYS

D0210 – FMX – average adjustment \$50.
D0330 – Panoramic - average adjustment \$50
D0274 – BWX – average adjustment \$25

If X-rays are taken outside of their frequency limitations, such as every two years, you are now required to adjust your fee to Delta's allowed amount, where previously it was the patient's responsibility.

Depending on your patient base (Delta has approximately 80% of the Upper Midwest marketplace, so most practices are fairly saturated with Delta patients), these additional adjustments can sting. We are increasingly helping practices make decisions regarding PPO participation. Call us today if you would like to discuss yours!

**From Delta Dental: "Claims are now being processed according to Minnesota state statute (62q.78). Per the statute, contracted providers may only charge the patient the ALLOWED fee for any service otherwise covered on their plan, if not for: deductibles, co-payments, annual maximum, frequency limitations, alternative benefits, or any other limitation. We (Delta) interpret 'any other limitation' to refer to age limitations..."*

Moving forward, all claims will be processed in accordance with this statute. Our previous claims processing vendor was unable to do so because of system limitations. This is not a Delta Dental MN processing policy, but a state of MN regulation."

Look for information from the MDA as they are aware of this and are looking into it.



Heidi Benson

HELP YOUR TEAM HELP YOU

Many of the frustrations in a practice come from unclear direction.

An example might be something like this:

"Mary, can you get me the models for Mrs. Smith?"
Mary responds, "Yes" (but doesn't complete the task on time, so you ask someone else). Now you are frustrated because Mary didn't follow through, but Mary didn't know there was a timeline. She feels like she failed and you're disappointed because it wasn't done when you needed it.

Instead, ask this way:

"Mary, can you get the models for Mrs. Smith today by 2:00?" Mary can then tell you that she is able to complete the task or not in the time frame you need it. Or, if you ask, ***"Mary, can you get me the models for Mrs. Smith?"*** she should then say, ***"I can, and when do you need them?"***

You and your team only succeed when *you* aren't dis-

appointed, and *the team* feels like they are succeeding.

Results happen when you:

1. Make one person accountable for each task (even if it involves multiple team members, put someone in charge).
2. **Make your request. Be specific.**
 - a. What do you want?
 - b. How do you want it done?
 - c. When will it be done?
 - d. Ask "Can you do that?" (Get their commitment.)
3. Follow Through - Ask them to report to you when task is completed. **Thank them!**

When you manage your team through positive reinforcement and encourage feedback, everyone gets a clearer picture of the expectations and results. Remember to bring the conversation all the way around.

IT'S THAT TIME OF YEAR!

If you'd like, we can help you with your practice goals and budgets. It is our job to help you decide what you want then help you get it!

Many offices do their performance reviews this time of year. It also helps to have a budget and a plan for that. Call us.

OUR TEAM IS YOUR TEAM!



Bill, Julia, Wendy, Shannon, Heidi, Shelly, Matt

Advanced Practice

MANAGEMENT and TRANSITIONS