

7 Things to Know Before Buying a Dental Plan



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We all know how important it is to keep our teeth and gums in tip top shape. Countless studies have shown that regular dental visits give individuals the following major benefits among others:

1. **Early diagnoses of systemic health conditions** including osteoporosis, diabetes, kidney disease and cancer (1)
2. **Various other health benefits** such as improved digestion and drastically reduced risk of both heart attack and stroke (1)
3. **Preventative care and treatment of dental conditions in their earliest stages**, before they become painful and costly (2)
4. **A bright healthy smile**-- a major component in making a positive first impression for both business and social situations

However, dentistry can be painful to both your mouth and your pocketbook, especially if you don't have help paying for it from an employer-sponsored and paid dental insurance plan.

Are you a freelancer, contractor or recent retiree who is no longer eligible for employee benefits? Or, are you new to the area and perhaps looking for both a dentist and a dental plan to make your care affordable? If either of these are you I'm sure you're asking yourself one simple question, **where do I start looking?**

Let's say you've just retired after 40 years of working for a great company with an excellent benefits package. Or, maybe you've just left corporate America to pursue your dream as a solo entrepreneur. At your former place of employment you had the same dental plan for longer than you can remember and loved it. You wonder if they have individual plans so you visit their website and see that they do.

How individual dental insurance works:

When you buy certain insurances, such as homeowners insurance and something unexpected happens (i.e. a tree crashing through your roof) all you need to do is meet your deductible and the plan will pay 100% of the repair costs. The way dental insurance works is a lot different.

Dental insurance has a concept called **cost sharing**, where you pay a certain percent of the cost for the procedure you get and your insurer pays a certain percent. There are three different categories of procedures and they all have different cost sharing breakdowns.

1. **Preventative and Diagnostic Services:** This generally includes two cleanings and oral exams per-year as well as a set of bitewing x-rays once every 12 months. Your dental insurance plan will typically pay 100% for these procedures and you pay 0%.
2. **Basic Restorative Services:** This generally includes silver fillings for cavities, tooth extractions and re-cementing of existing crowns and bridges, among other things. Your dental insurance plan will typically pay 80% for these procedures and you pay 20%.
3. **Major restorative services:** This generally includes bridges, crowns, partial and complete dentures among other procedures. Your dental insurance plan will typically pay 50% for these procedures and you pay the other half.

4. **Corrective services:** This generally includes services such as orthodontia and isn't included outright in most dental insurance plans. Plan coverage of these services can be purchased as a separate rider at a cost of a few extra dollars in monthly premiums. With the rider, your dental insurance plan will typically pay 50% for these procedures and you pay the other half. Also, dental insurance plans generally have a waiting period of anywhere from 12-24 months before corrective services are covered (and we'll discuss what this means shortly).

Annual maximums:

So, you go to the dentist, get your cleaning, exam and x-rays, they discover you have some bad tooth decay and you'll need a crown. If you go to an expensive dentist to get your crown, you'll probably run into what's called an **annual maximum**. An annual maximum is the cap on what your dental insurance plan will pay for your covered services each year. A \$1,000 annual maximum for an individual plan is not terribly uncommon.

As early as 2004, the cost of getting a gold or porcelain crown from a Massachusetts dentist could be as high as \$1,600. If the insurance plan pays \$800 for this procedure (50% the cost) plus just over \$150 for your cleaning, oral exam and x-rays combined, you'd be \$50 or less away from maxing out for the year.

Waiting periods:

Also, most if not all traditional dental insurance plans have **waiting periods** on certain procedures. A waiting period is the number of months a member must be enrolled in the plan before certain procedures are covered. Typically, plans will have a **6 month waiting period before basic restorative services are covered** (i.e. fillings for cavities) and a **12 month waiting period before major services such as bridges, crowns and dentures are covered**.

For individuals in need of multiple dental procedures right away, a **discount dental plan** could be the best solution. Since **discount dental plans are not insurance**, they don't have waiting periods on any procedures. Discount dental plans also have no annual maximums, or deductibles you need to meet before services are covered.

Pay as you go vs. all you care to use:

Dental insurance is a great benefit for individuals when it's employer-sponsored and paid. That's because rates are generally lower for group plans (because the risk is spread out across the group of employees). Also, typical employer contributions to these plans range from 75-100% so employees don't have to pay much for the dental care they need.

However, when an individual buys dental insurance their own, premiums will be higher (now that there's no group risk pool), oftentimes \$50-60 dollars per-month. So, over the course of a membership year, individuals pay \$600-720 for roughly \$1,000 worth of coverage. Given that an average consumer gets \$300 or less worth of dental work done in a year, they'd be paying more than double the cost of what they use in insurance premiums.

If you're generally very healthy and your mouth is too, you probably won't need to have any major dental work done for awhile. That's why a discount dental plan could be the best option for you. Discount dental plans are **pay as you go**. For an affordable monthly membership rate, you have access to **deep, point-of-service discounts** from network dentists. So, instead of paying high premiums to subsidize the cost of procedures you may or may not need, you're paying a 20-50% discounted rate for each procedure you need when you need it.

Summary:

To sum it all up, when shopping for a dental plan you should ask yourself a few basic questions to determine which plan design is right for you.

1. **Do I need any major work done right away?** Dental insurance plans generally have 6 month waiting periods on basic and 12 month waiting periods on major restorative work. So, if you need a root canal or a crown in the immediate future, and you want to save money on it, a discount dental plan is right for you.
2. **How much dental work do I need for the year?** If you need to have multiple major procedures that will push you over your annual maximum or if you just need a few cleanings and an x-ray, a discount dental plan would probably make the most sense for you.

Discount dental trade-off:

Discount dental plans are an excellent insurance alternative for individuals who lack employer-sponsored and paid group coverage. However, there is one trade-off for joining a discount dental plan. Discount dental plans tend to have a smaller network than most major dental insurance carriers. There's no guarantee that your dentist will be in the plan's network.

However, discount dental plans are among the fastest growing dental plan designs in the nation and have many benefits for dentists. Dentists gain access to more patients and save time and money through reduced administrative costs. The latter benefit results because discount dental plans are not insurance and therefore there are no claims to process.

Affordable dentistry for all:

The number one concern today's consumers have when going to the dentist is cost and a discount dental plan makes dentistry affordable for all.

Universal Dental Plan (UDP) is a Discount Dental Savings Plan; a **smart alternative to dental insurance**. Through the power of collective bargaining with our network of dentists, members pay a low monthly fee in exchange for **guaranteed 20-50% discounted rates on all procedures**.

Our members never fill out tedious claim forms, pay deductibles or are subject to annual maximums or pre-existing conditions exclusions. Membership in UDP is immediate upon enrollment and there are no waiting periods on any procedures. Membership in UDP is affordable (individuals pay just \$9.95 per-month, less than 33 cents per-day) and signing up is easy. Just go to our website, www.universaldentalplan.com and click "Sign Up".

Sources:

1. Oral Health in America: A Report of the Surgeon General, 2000
2. Academy of General Dentistry (ADG), 2006