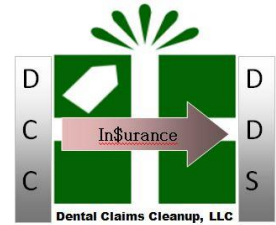




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Informative Communication from  
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## Presenting Financial Agreements

Would you ever buy a dress without seeing the price tag? Would you ever repair a car without an estimate? It makes sense then that prior to proceeding with dental treatment we should clearly review the treatment plan proposal and patient's financial responsibility due at time of service. Transparency builds trust, while lack of it promotes distrust. Many practices feel that they want to bill the insurance and then bill the patient for the co-pay. That creates uncertainty and problems on many levels. First of all, the patient may not be in a position to pay their portion, therefore, you will not get paid. The patient agrees to proceed without knowing their responsibility and then cannot pay their portion because they did not know what it was. If the patient knew the price, they may have chosen to hold off on the treatment. Patients deserve the right to know what they are buying. They also have the right to choose if they want to proceed or not based on whether or not they can pay for it at that time.

The Dentist is also affected when the patients do not pay at time of service. No one likes to work for free, right? If you proceed with treatment that a patient cannot pay you for, you just did it for free and on the house. This is one of the reasons accounts receivables are usually high. Second, the patient had the right to refuse treatment to prevent a financial burden and now they were forced into financial distress. This situation burns bridges, creates animosity, and dissatisfaction with dental treatment. Many times we call to collect on an account, and the patient says they will not pay you because "the crown never felt right after it was inserted!" It really is unfair for the patient not to know what they will owe for the procedure.

Why not take a few extra minutes during treatment planning and put together a sound financial agreement for the treatment. Let the patient make an informed buying decision. You do not want to schedule people that cannot pay for the treatment. We do not want to schedule patients that do not want to be scheduled. How do you know they would not want to be scheduled? Well, after you present all the details, the patient may decide that they cannot proceed. You can then schedule another patient in that time slot that will pay for the treatment rendered. The result is the practice is profitable, your AR does not increase, statements do not need to be generated, patient will be happy, and you did the right thing.

There are many philosophies about how to draft the financial agreement, who should present the agreement, and what should be included in a financial agreement (FA). Here are the important components that must be included:

1. **total price**- The total price is your fee for the entire treatment plan. It is your fee before any provider discounts or write offs:
  - a. if the insurance plan allows you to collect up to your full fee, then your full fee is stated on the FA
  - b. if you are a provider it shows the patient how much they DO NOT have to pay you and what a deal they are getting and it builds value
2. **estimated co-pay**-Estimated co-pay is the amount you are asking a patient to pay to start the procedure which will be collected at time of service. We take huge efforts to explain to patients

that this is an amount based on previous insurance payment on that procedure, however it changes frequently without our knowledge. Therefore, we use the estimated co-pay as **an amount we collect to proceed with treatment**. The patient may have to pay more or get a refund if the insurance overpays. **We will resolve the balance after the claim resolves**. We also tell the patient that this is the amount their insurance decided that the patient owes to the office. Placing the decision burden on the insurance of what the patient payment should be makes them the bad guy, not your office.

3. **Payment due at time of service**: Payment due at time of service is a statement on the FA that tells the patient that the amount is due when procedure is started or prior to the start of the procedure.
4. **Discount given if pre-pay copay**: To encourage patients to schedule the appointment we offer a pre-payment discount. We give 5% discount for cash and check pre-pays and 3% for Care Credit or credit cards pre-payments. This policy motivates patients to commit to the appointment and resolve their balance to proceed with treatment. We view this as a down payment to hold the appointment slot.
5. **Total treatment plan amount**: The FA should show the total amount that the treatment plan costs NOT just the \$ amount for treatment on the next visit. We want to tell the patient about all the work they need to encourage pre-pays and hopefully gain acceptance for the **total treatment plan**. We encourage patients to be scheduled for quadrant dentistry so the treatment needs to be treatment planned and presented by quadrants or sextants.
6. **Disclaimer about insurance**: This statement tells the patient that, in the event insurance decides not to pay for the treatment as anticipated, the patient will owe up to the total \$ amount of the treatment fee.
7. **Disclaimer if insurance check goes to patient**: This statement tells the patient what is expected if the insurance check goes to patient. We inform the patient that normally we would collect the total fee at time of service. However, the practice will give the patient a grace period of 30 days to bring in the insurance check. If the insurance does not send the check and patient does not bring it in within the 30 days grace period, the patient will be billed and will owe the total amount within 10 days of received statement. (some practices do not like to give this grace period)

#### STEPS TO OBTAINING A GOOD ESTIMATE FOR PROCEDURES

1. **Enter insurance fees**: How do we come up with a figure that we can collect at time of service? Many offices are guarded to present sound financial agreements? It is the uncertainty of the insurance plan benefit. You see, the only thing we know for sure regarding the patient's insurance benefits, if you are a provider, is the contracted price signed in the agreement between the provider and the insurance company. Very often, the known fee schedules are not utilized by providers in their treatment planning because the fee schedules are not entered into the dental software or are not updated producing unreliable inaccuracy. I know it is cumbersome and demands manpower but for goodness sake, ENTER your fee schedules into your practice management software and assign the schedules to Employers and your patients. It will give you a good start.
2. **Benefits Verification**: The next step is to obtain specific plan information through daily benefits verification process. Each dental insurance company has a fee schedule, but it offers various plans to Employers. So some plans have plan clauses such as procedure exclusions, downgrading of procedures, frequency limitation, and non-covered benefit for codes. If you don't ask those questions you will mislead the patients to count on benefit coverage and your estimate will be wrong. We do not want to be an expert in insurance. In fact, that is impossible and offices that try to quote exact estimates place a lot of efforts in the wrong area. The focus should still be on value and patient education of medical necessity via intra oral pictures, videos, and printed educational material. We start the verification process 3 business days before. But to collect something at time of service you can get pretty close to what the

expected insurance benefits is. As long as you inform the patient that the fee you are collecting at time of service is a \$ amount to START the procedure. Any balance due will be collected after the claim resolves. The point is to draft an agreement that is in the ballpark of what you need to collect at time of service to proceed. This is different than to quote the insurance coverage and patient portion exactly. I want to teach you to shift your patient's paradigm to understand that you require a certain amount (a down payment) to proceed which is fairly close to what they would actually owe for that procedure. Because we cannot guarantee what insurance will pay for sure, we will take a down payment to start and resolve the balance after the insurance claim resolves.

Based on the fee schedules and the benefits verification you can come up with figures that translate to 1) an amount that the insurance most likely will pay and 2) the down payment that you require to start treatment. You want to focus on the fact that the procedure is medically necessary and the patient should not wait. The FA is a signed agreement and it states that there might be a remaining balance after insurance resolves. Without this financial agreement, if you do not collect at time of service something to proceed with treatment, your cash flow will always be lagging behind, your collections, will always be high, you will end up in battles with your patients, and create many resentful relationships. Not to mention that your team will hate their collection job. It is always harder to collect after the procedure was performed than before you touch the tooth. And we all know that ethically we need to finish the procedure regardless if the patient paid off their balance.

So....work on the following

1. Enter all fee schedules in the system and update annually
2. Verify benefits: full plan breakdowns starting 3 days ahead and ALL eligibility checks on patients in the schedule, enter plans in the computer
3. Attach the employers and patients to the plans and fee schedules
4. Enter all treatment plans in the computer and group clinically in sequence of appointments with a \$ amount to be collected on that appointment
5. Draft a financial agreement reflecting:
  - a. Patient 's responsibility for the total plan
  - b. Break it down into appointments and patients responsibility for each visit to proceed and be collected at time of service
  - c. Give 3-5% discount for paying their down payment in full for the total treatment plan at time of treatment plan presentation
6. Communication about the financial agreement: we are presenting to you what we will require to collect at time of service to proceed with treatment. The amount is based on information we have about your plan but insurance changes all the time and we cannot keep up with this information. We will resolve the balance after the insurance claim resolves and you might have a credit or a balance due. We will call you after the claim resolves. The reason we tell patients we will call them is because, if there is a small amount to be paid, you can just call the patient and get a credit card over the phone to settle the bill and avoid sending a statement. You can say "I received your insurance check today, the claim has resolved, the insurance decided that you have a credit or you have a balance of \$14. Can we settle that over the phone with a credit card?"

Now that you have some numbers to discuss with the patient, what is the best way to communicate this information with the patient? The psychological approach to selling and buying decision has been studied by many. Here are some tips that work for us. You have to lead the patients through this process for them to say YES.

## Treatment Plan Presentation

Treatment plan presentation and consequent treatment plan acceptance is a process that consists of 4 Phases. The goal during treatment plan presentation is communicate to your patients the 1) benefits of treatment so that the patient owns their own problem, 2) values the benefits of proceeding with the procedure, and 3) understands the expectations of their financial responsibility and commitment of the appointment. The steps must be done in a specific sequence to guide the patient through the presentation and sale and allow the patient to make an informed decision. Anyone presenting treatment must follow this sequence for highest patient understanding and ownership of their dental problems and for the patient to be able to make an informed decision. Existing treatment plans or obvious new problems, the assistants and the hygienists can perform these steps instead of the doctor. In this case, the presentation is based on previously diagnosed treatment and an existing financial form (FA) prepared prior to the appointment. If this approach is new to you, the team should try to do existing treatment plans. Once the team finds out what the patient's decision is regarding proceeding with the treatment, the team can verbally present the information in a handoff to doctor. The answer should be 1.) they are ready to schedule, 2.) they are not ready, or 3.) they have more questions. The steps below MUST be followed in sequence to get an answer out of a patient. If the patient doesn't want to proceed, or has more questions, the doctor should take over the presentation from step 1 thoroughly.

### STEPS OF THE TREATMENT PLAN PRESENTATION

#### 1) open line of communication

a. In this step you must only proceed with an exam or with a treatment plan discussion if the patient is ready to listen. If they have an attitude or are quiet or look not interested YOU CAN NOT present dentistry or proceed with an exam. You have to break the ice with social graces and open the lines of communication. Easiest way to start a conversation is to talk about a commonality you have with the patient or bring up something you know about the patient. Ask about their family etc. If there is an issue, acknowledge there is something wrong ex: "You seem quiet today? What's on your mind? You don't seem yourself". What you are looking for is for them to tell you their objections or struggles. The objections must come out in the open and be dealt with before you proceed further to open the line of communication. This requires the patient's full attention. If they are distracted by their objections, they will not listen to what you have to say. Once you get the objections out of them you MUST deal with their objection/issue first before presenting dentistry. If there are no objections then you go on to step 2.

Objections/issues can be anything from they are having a bad day, they are behind on bills, they are nervous in your chair, they are worries about their kids, etc. When a patient is distracted with their issues, the last thing they want to hear is details about painful dentistry they need. Get your patient to focus on your conversation with them and get their full attention.

b. Handle their objections. Acknowledging patient's struggle, objection, and issues shows empathy and builds trust. In this step you can not justify, explain, or do too much talking about their objection/issue because it will seem like you are trying to explain yourself. Just acknowledge their issue and be understanding. Example patient "I was waiting way too long for you today!" Your answer "You are right Mr. Jones that is definitely unacceptable, I apologize." Example: "I don't know how I am going to pay for my kids college". Your answer "Joe, I totally understand, many patients feel the rising cost of education. Remember when you and I went to college and it was only \$10,000 per year.

2) Present dentistry: Ask permission to examine the patient. "May I examine your mouth?" After the examination, you will need to present your findings. Simply say, after you examine the patient, "May I tell you what I found during my exam today?" Tips: During your examination, use layman terms to describe the problems that you see. Example: Vertical fracture, broken cusp, leaking restorations, infection present etc. But,

dictate the treatment plan to the assistant/hygienist in dental code so patient doesn't understand it at this point. You don't want the patient to shut down here and be distracted. The assistant/hygienist puts it in computer and prepares a financial agreement (FA) while you keep presenting the benefits of treatment with the patient. After your exam, you will turn to the patient, sit in your dental chair "knee to knee" in front of the patient, and ask them permission to present treatment: "Can I tell you what I found during my exam today?" Then you will tell the patient in LAYMEN terms what is happening (The PROBLEMS YOU FOUND) NOT THE TREATMENT NEEDED. You want to present the problem and have the patient ask you for the solution. You will explain "So I found that you have several teeth where there is bacteria that destroyed your tooth and is heading for the nerve and the blood vessels inside your tooth. I know there is no pain right now but that is because it didn't reach the nerve. You will draw a stick figure with a person's heart, the spinal column, and a tooth. You will draw how the bacteria from the tooth runs through the arteries of the body, into the heart, and into your spinal column. After you do this you will look at them and say "What do you think about what's happening?" This is the point where they should ask you what to do about the problem. "So how do we fix this?" You will move on to step 3. If they do not ask you for the solution you have to keep telling them about the problem ie.: "There is a strong association of mouth bacteria and heart attacks" etc. In this step you must be concise and don't seem like you are explaining yourself, or have something to hide, or you are trying to sell them something. Just tell them and show them what is happening. Show them their fractures in the intra-oral pictures. But show one thing at a time until they ask you for the solution. If you layout all your tools at once, then you will have nothing to talk about if they don't ask you for the solution.

3) Provide the Solution. At this time the FA should be ready by the assistant and hygienist. The team will provide to you the \$ amount necessary to start procedures. Make it simple "Well, to keep the tooth, we need to do a crown procedure, and a few fillings, which costs \$500 to get started. " Then, you will explain the dental procedure if the patient is interested. " I need to remove all the decay, then build the tooth back up, then cover it with a helmet that looks like a tooth". The patient here may give you objections

- a. I only do what insurance covers
- b. That's too much money
- c. I need to talk to my husband
- d. I need to think about this

All these objections need to be handled as in step 2b. You need to acknowledge the issues and be in agreement with the patient's objection, to show them you are understanding, and you heard them. The objections are not an excuse to step down or away from your treatment plan. Very often, providers start feeling bad for patients and downgrade a crown to a large filling. Instead, handle it this way. Ex: "This is too much money...". Your response: "You are right it is a long of money Mr. Jones". That's all you say and keep looking at them, they will probably hit you with another objection. "I need to talk to my husband". Your reply: "I know many patients may need to check with their spouse what do you think your husband will say about the dentistry you need?". "I need to think about this". Your reply: "I understand that you might want to think about this. Remember that you can do some of the treatment, all of it, or none of it. Please understand that waiting to proceed will allow the decay to get closer to that nerve because this condition never stops or gets better. We respect your decisions whatever you decide. How do you want to proceed?"

"I only do what insurance covers". Your reply: " I understand you want to do only what your insurance covers, but at that speed I can not keep up with the dentistry you need, and your needs will bet bigger, more painful, and more expensive. But I respect your decision and have your best interest at heart"

4) How will they pay for it. The last step is to communicate the financial responsibility at time of service. Just because it is written on the FA does not mean the patient read it or understands the terms of the agreement. You

need to review it verbally and have the patient sign the agreement. “I would like to see you back within 2 weeks. How will you be paying for this? Do you need financing?” You will write on the FA the method of payment that the patient tells you they will use. Also, the Doctor will break the treatment into steps on the bottom of FA based on clinical sequence NOT on money. Each step will have a \$ amount for that appointment that will be collected from the patient.

5) Schedule treatment. Patient is scheduled. If there is another person scheduling other than the clinical team in the room, then there has to be a handoff to the scheduler with specific instructions. ex: Mr. Jones is ready to proceed with #2,3 crowns and will be paying with his VISA \$500 to get started. Or, he needs financing options. There should not be any deviation from this treatment plan at this point. We are really trying to finalize all the objections and plan out patient’s treatment in the rooms with the doctor present. If the patient is not in agreement with the scheduler...ex: I don’t want to do both crowns”, the scheduler you will say: “I understand you don’t want to do both crowns, but the doctor put this plan together for you with your consent so I cannot change it. Let me get the doctor”. The scheduler will get the doctor EVERY TIME. Getting the doctor will do the following:

- prevent a patient from changing the plan and promote scheduling as planned
- make the doctor aware of their treatment presentations learn from their experiences

The scheduler ONLY schedules. Hope this helps.

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