



Ask the Broker

Delta Insurance Update February 2013

The Issue: 70 to 80 percent of the patients in a “Premier only” practice are not really “premier” patients. Therefore, a Buyer or new associate in the practice will take a 30% pay cut for the same treatment performed on those same patients.

The Problem: Patients in “Premier only” practices might be billed two different fee schedules for the same procedure by a new associate in their practice! (How confusing might that be to the patients when they receive a bill for their family!)

Bigger Problem: Buyers for your “Premier only” practice are arguing that your practice is worth less because they will take a pay cut when they are *forced* to accept the lower PPO fee after purchasing your practice. Most California practices are approximately 40+% Delta participants. This may translate into 15% reduction of your gross receipts not only from your collections, but also from your bottom line as all the expenses remain the same. (Of course, this assumption is valid only if nothing else changes. I have seen smaller practices increase their numbers since they are attracting more patients)

Bigger Issue: Delta has recently hinted that they will soon reduce the “Premier” fee schedule by approximately 10%. This should come as no surprise. The writing on the wall is that eventually the Premier plan will no longer be available. Delta is only one of two providers that refuse to pay “out of network” doctors directly. They also go out of their way to “audit” practices in which doctors may make private financial arrangements with their patients.

Solution: “Premier only” practices might want to consider going out of network immediately. The downside is that their fee payments will be reduced on their reimbursements for their Delta patients. The good news is that they are free to charge whatever they feel is fair to their patients and make those financial arrangements freely. Why agree to audits and the threat of supposed “insurance fraud” when Delta is obviously not going to provide an adequate fee reimbursement plan at sometime in the near future? It would be best for the long-term providers to educate their patients about what insurance really is before a new doctor takes over the practice who does not have a long-term relationship with the patients yet.

Better Solution: Let’s hope that our Lobbyist for dental care pass a “Freedom of Patient Choice” dental bill which will allow patients to take the fee schedule they have paid for to *any* provider and make whatever agreeable fee arrangement with that provider, and force the insurance company to pay that specific provider directly.

In a Free Country and Open Marketplace, the patient and doctor should have the right and flexibility to make financial arrangements.

Questions? E-mail wps@succeed.net



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