

ASSOCIATION OF MANAGED CARE DENTISTS SURVEY 2003

This years AMCD Survey of California's Managed Care dentists has revealed that Providers are not doing well with the capitated model of reimbursement, and the majority of dentists are no longer signing up for additional capitated dental plans. Furthermore, those dentists who responded that their net incomes have increased, squarely give the credit for their success to increased PPO patients, and a decrease in the capitated portions of their practices.

Additionally, dentists continue to be doubtful of their ability to continue accepting capitated plans if patient benefits are expanded beyond "needs- based" care to include "wants-based" care.

INADEQUATE REIMBURSEMENT

With 96% of the respondents reporting that cap rates and co-payments do not provide sufficient revenue to meet overhead and return a fair profit, it is not surprising that 58% of providers are no longer signing up for additional cap plans and that 41% remain closed to new enrollment from some of their present plans. Fully half of the respondents (50%) state that their future goals are to decrease their capitated base of patients, and only 20% are looking to capitation dentistry as their source of future growth for their practices. Although these numbers reveal that dentists are not as aggressive towards reducing their dependence on capitated plans as last year, it is still striking that in a recessionary economy, where patient volume is down, dentists are still looking to drop capitation patients.

Managed Care dentists have good reason to feel that reimbursement and capitation is not attractive as 73% report their net incomes are either decreasing or staying the same over the past 2 years. Alarmingly, 45% of those who report AN INCREASE IN GROSS REVENUE, also report NO INCREASE, OR AN ACTUAL DECREASE IN NET INCOME!! This indicates a strong disincentive to "grow" ones practice with the capitated dental model.

EXPANDED PATIENT BENEFITS

Capitated managed care plans, the least expensive form of dental coverage, were designed to provide good "needs-based" dental care in a cost effective manner. While even indemnity dental plans, the most expensive form of dental coverage, have annual maximum benefits (typically \$1,000-\$2,000/yr.), CAPITATED PLANS HAVE NO SUCH LIMIT. Because dentists are financially stressed under the present system, how could Provider Networks survive if required to deliver unrestricted care..... even more patient benefits....than indemnity plans and at greatly reduced reimbursement? Respondents indicate that they could not!

The potential for managed care plans, for the sake of gaining market share, or government agencies to mandate, in the name of consumer protectionism, an increase in patient benefits under these programs is worrisome. Nearly 95% of dentists are quite concerned about the effects of including "wants-based" care in capitated dental programs.

1. Including yourself, how many dentists practice in your office? 6.3_____

2. I accept the following number of CAPITATED dental plans:

44% 0-3

17% 4-8

16% 9-13

23% 14+

<!--[if !supportLists]-->3.<!--[endif]--> I am:

58% : no longer signing up for additional CAPITATED dental plans

42% : still signing up for CAPITATED dental plans

4. I am:

41% closed for new patient enrollment from some of my CAP dental plans

59% open to new patient enrollment for all of my CAP dental plans

5. If you have discontinued your participation in a CAPITATED dental program

it is because: (check all that apply)

45% inadequate reimbursement

27% difficulty with specialty referrals

23% administrative difficulties

5% other

6. If you have terminated your participation in a capitated plan, or closed

to new enrollment in a plan, what would cause you to reconsider?

Enhanced revenue

7. Capitation rates and patient co-payments do not provide me with sufficient revenue to meet my overhead and return a fair profit:

72% agree strongly 24% agree 2% disagree 1% disagree strongly

8. Do you feel you are being adequately compensated for the increased administrative duties and reporting you are required to do?

10% yes 90% no

9. Over the past 2 years my GROSS OFFICE REVENUE has:

42% increased

27% decreased

31% stayed the same

10. My office overhead percentage is _____%

11. Over the past 2 years, my office overhead percentage is:

75% increasing

9% decreasing

16% staying the same

12. Over the past 2 years my personal net income has:

27% increased

40% decreased

33% remained the same

13. If your net income has increased over the past 2 years, what do you attribute this to? CHECK ALL THAT APPLY

60% growth in the PPO/Fee for Service portion of my practice

16% growth in the Capitated portion of my practice

24% decrease in the Capitated portion of my practice

14. My office is experiencing an increase in PPO patients:

76% yes 24% no

Please answer the following 3 questions using these definitions:

“Needs-based” treatment: Treatment which includes the elimination of decay, control of gum disease, replacement of missing teeth where function has been lost, and detection of oral cancers. Commonly referred to as “least expensive, professionally acceptable treatment”

“Wants-based” treatment: Alternative treatment which is not essential for good dental health, but has certain advantages beyond “needs based care”, and is generally more expensive. For example, a fixed bridge instead of a removable bridge, a crown instead of a filling, a posterior composite instead of a posterior amalgam.

15, The thought that patient benefits in managed dental care plans could be

expanded to include “wants-based” care:

78% concerns me greatly

17% concerns me somewhat

5% does not concern me at all

16. If CAPITATED dental plans expand patient benefits to include “wants-based” treatment, my response will be:

15% Continue with the status quo

8% Attempt to increase the capitation portion of my practice

19% Attempt to decrease the capitation portion of my practice by closing my office to new patient enrollment

50% Attempt to decrease the capitation portion of my practice by closing my office to new patient enrollment and terminating my provider contracts

8% Other

17. I would be unable to survive financially in CAPITATED dentistry without the revenue I receive from “wants-based” treatment:

70% agree strongly

22% agree

5% disagree

3% disagree strongly

18. Over the next few years, my goal is to:

20% increase my capitation base of patients

50% decrease my capitation base of patients

30% continue with the status quo

19. I would encourage managed care companies to participate in a system where I could receive patient eligibility, plan information, patient co-payment schedules, etc. through the internet because this would help increase my administrative efficiency.

56% yes

11% no

33% no opinion