Executive Summary

Dental office managers across the U.S. in practices small and large, rural and urban, face the same day-to-day concerns: balancing a demanding and diverse workload with limited time and resources. It is really no wonder that according to a nationwide survey conducted in June 2012 by the American Association of Dental Office Managers (AADOM), 50 percent of the dental offices that did not verify insurance eligibility and benefits prior to service said the process was simply too time-consuming.

The culprit behind this and other inefficiencies is the fact that many dental office processes remain paper-based. Increasingly, however, practices are starting to recognize the advantages of technology. As the industry shifts toward the automation of vital business transactions, it has the opportunity to become more efficient and competitive than ever before.

For example, those offices that now manually verify eligibility and benefits with payers spend an average of eight hours a week—one full working day—at the task. Even those who can find that kind of time to confirm eligibility by phone, fax or payer website often discover that other critical benefit details—such as waiting periods, deductibles, co-pays, frequencies and limitations—are difficult to pin down.

Such challenges represent an opportunity for dental office managers to help practices and payers alike recognize how automation saves time, saves money and builds stronger relationships. Leveraging their knowledge, empowered office managers have a key role to play in influencing and proposing effective solutions that can:

1. increase profitability;
2. streamline workflow;
3. give staff back valuable time (to spend with patients);
4. improve first-time pass through rates; and
5. enhance the value of the dental practice.

Real-time transactions can help practices become more competitive, allow office staff more time for patients and even help payers reduce costs and streamline workflow. Automation clearly is a step forward for all stakeholders, so now is the time for office managers to initiate a grass-roots effort to communicate the concept to dentists, and through dentists to payers.

This white paper will examine the opportunities for dental office managers to move the entire dental industry forward—individual practices, patients and payers—by championing the increased adoption of real-time, electronic transactions.
The unique perspective of office managers

Timely claims processing and payment are what ultimately keep practice doors open and patients served. Consequently, everyone from office managers, dentists and hygienists to payers and patients have a vested interest in an efficient claims process. Yet it is the office manager who best understands that claims processes benefit the entire office when completed accurately, efficiently and with the right tools.

Of all the staff involved in the daily activity of a busy dental practice, office managers are the closest to claims processing—and the most knowledgeable. They are best positioned to understand first-hand its workflow, financial and patient care ramifications as well as the advantages of automating eligibility, predeterminations and claims submission to drive business success. In fact, of those surveyed by AADOM, 98.68 percent would prefer real-time predetermination and 97.37 percent would be “likely” or “very likely” to use real-time pre-estimates, if they were available.

Office managers sit in a unique position to explain to their practices the benefits of adopting automated and real-time business processes.

For these reasons, office managers are in a natural position to guide their teams toward effective solutions. By clearly communicating a practice’s needs and recommending efficient business processes to the dental team for consideration, office managers can help lead their practices to a competitive edge. Furthermore, as an increasing number of practices transition to real-time automation, payers will have no choice but to make the switch themselves.

Real-time eligibility: Reduce two-thirds of claims denials

It may not be surprising to learn that two-thirds of denied dental claims are linked to eligibility issues, and many of those errors are rooted in either a failure to check eligibility or the use of inaccurate eligibility data. That is why eligibility verification is an important step, even for existing patients. Insurance plans shift frequently and patients are not always aware if—or how—their benefits, coverage or co-pays have changed.

Over half of the respondents to the AADOM insurance survey—approximately 63 percent—noted that they currently check eligibility and benefits either by phone or by visiting payer websites. About 42 percent said they rely primarily on insurance company websites to verify patient eligibility, while another 21 percent routinely verify eligibility by telephone.

However, these methods contain some hidden pitfalls. If a payer website is down, does not provide complete information or does not flow intuitively, for example, practices can experience delayed results that sabotage workflow and take time away from patients without producing accurate information. Telephone calls often result in time-consuming on-hold wait times, confusing automated voice response systems or failure to reach a knowledgeable representative. Verifying eligibility by fax—the method used by about 14 percent of practices surveyed—is slightly more convenient than by telephone, but also poses the potential risk of compromised patient confidentiality.

Of the dental practices polled by AADOM, just less than 3 percent used real-time, Internet-based tools offered by an automated clearinghouse to verify insurance eligibility. Yet this alternative is by far the most efficient: real-time verification gives users a complete, accurate response from the insurance company within 30 seconds. Offices that
leverage this technology are way ahead of the game, taking the first step toward reducing claims denials and bad-debt write-offs. By improving first-time pass through rates, the technology also saves valuable hours following up on unpaid claims, which frees more time to devote to patients.

**Real-time predetermination: Boost case acceptance**

Accurate predeterminations and pre-treatment estimates are essential for helping patients understand the need for treatment and encouraging them to follow through with it. A vast majority of AADOM survey respondents—about 83 percent—conduct predeterminations for every client. However, a problem arises when they have to wait days or even weeks for results from payers. According to the survey, most participants wait “a few weeks” for written predeterminations to arrive by postal service. In comparison, the 5 percent of practices that already have adopted real-time predetermination automation wait less than one minute to receive this vital information.

Making patients wait to find out if they are covered for a particular procedure, how much insurance will pay and their expected out-of-pocket costs usually results in reduced case acceptance. Between the initial appointment and the payer’s green light, many patients decide that treatment is not worth pursuing.

On the other hand, the ability to supply accurate answers in a matter of minutes greatly improves case acceptance and ensures that clients understand the value of maintaining dental health. By providing this information at the patient’s first visit, office managers can increase the probability of informed consent and, subsequently, timely payment. Plus, they establish confidence, demonstrate a strong relationship between the dental practice and the payer, and validate themselves as trusted experts on insurance eligibility and coverage.

**Electronic claims submission: Faster processing, faster payment**

When it comes to claims submission, the choices dental practices face include the U.S. Postal Service, fax machine, insurance company website or electronic submission. According to the AADOM survey, more than 97 percent of offices submit claims electronically through a claims clearinghouse or practice management system. They clearly recognize the advantages of simplified processing, prompt payment and reduced data entry errors.

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However, the average office surveyed spends “way too much time” following up on unpaid claims. Some indicated they spent as much as 40 hours per week, depending on the size of the practice and number of patients served. Forty-eight percent of AADOM survey respondents report an average of five to 25 rejected claims per month, and one-quarter of practices wait 14 to 21 days for claim payment. Another 22 percent wait for up to 30 days for payment.

According to the survey, the most common reasons for denied claims are eligibility issues, non-covered services and data entry errors. The best solutions to these problems include the proactive use of modern electronic tools to check eligibility and benefits and to “scrub” claims for coding and other errors before they are submitted to the payer.
Office managers poised to make a difference

With an in-depth understanding of patients, payers and dental health issues, office managers sit in a unique position to explain to their practices the benefits of adopting automated and real-time business processes. As many office managers understand, technology can be a win-win-win proposition for dental offices, payers and patients. Broad implications for practices include:

• elimination of eligibility and benefit-related denials;
• ability to seat more patients as case acceptance rates rise;
• accelerated cash flow due to faster claims processing and payment;
• smoother workflow that creates more quality time for patients;
• and reduced administrative expenses as labor-intensive duties are minimized.

In addition, real-time technology can help insurance companies manage transactions more efficiently and align them with corporate objectives for customer service, operations and risk management. By improving the flow of information, payers can enhance agility, respond to changing conditions, boost productivity, reduce operational costs and build customer loyalty.

Lastly, patients who know exactly what their dental benefits cover can gain peace of mind, as well as the confidence to follow through with services to sustain their dental health.

As the pivotal point between patients, dentists and payers, office managers bring a high degree of credibility to the table. As business leaders within their practices, they are well-positioned to begin initiating conversations—with co-workers, dentists and payers—to advocate for wider use of the electronic, real-time transactions that will lead the entire industry forward. Advocating for automation is not only a way for office managers to further prove their value within their practices, but an opportunity to use a combined voice to help shape the future of the dental industry.

About MDE

Mercury Data Exchange connects dental practices, payers and vendors through real-time technology, including eligibility and benefits verification, real-time claims adjudication, electronic remittance advice and electronic funds transfers. These tools enable dental organizations to minimize paper-based processes, streamline workflow, speed payment times and reduce administrative costs. To learn more, visit www.whymde.com.

About AADOM

The American Association of Dental Office Managers (AADOM) is an organization of professional office managers, practice administrators, patient coordinators, insurance and financial coordinators, and treatment coordinators of general and specialized dental practices. AADOM is the nation’s largest education and networking association dedicated to serving dental practice management professionals. For more information please call 732-842-9977 or email us: info@dentalmanagers.com.