

What is the difference between HMO and PPO dental plans?

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**By Dentistry21 Editorial Team**

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What is the difference between HMO and PPO dental plans?

If your employer offers dental benefit or if you are shopping for it yourself you often come across two terms:

1. Dental HMO plans (DMO)
2. Dental PPO plans

To be able to make a correct decision you should know the difference between the two, and I don't mean the coverage difference that is usually presented by the insurance companies. What I mean is the real difference.

You should know how they pay the doctors and which plans the doctors favor. Why? Because eventually it is the dentist that will provide the service to you and not the insurance company. So, no matter what the insurance company claims their doctors have to do, your dentist will treat you as he or she sees fit.

To look at the issue from the perspective of a dentist, let's see how they differ in terms of payments to the doctors.

1. The PPO plans

PPO plans, also called preferred provider plans, pay doctors based on the procedures they perform. In other words, for each approved treatment or service performed by your dentist the insurance company sends him a payment (assuming other limitations don't apply). When you are talking about this kind of coverage, it means the more your doctor does the more he is paid. Of course there are checks and balances in place to make sure the doctors overall performance is acceptable.

2. HMO plans

When it comes to a general dentist, usually the way the insurance companies pay is called capitation payment. Which means they sign a contract with a doctor for a certain number of people (let's say 500 people). Then they pay doctors a monthly payment for each patient (Something around 1-6 dollars per person). Then in return they expect the dentists to perform certain procedures for free and some others at a discounted rate.

When you think about it, you realize practically they reward doctors who do less! As far as the dentists

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are concerned if they are performing a "covered benefit" they are losing money! The only time they make money is when they perform a procedure that is not covered by insurance.

Getting more familiar with the system, you now realize why some dental offices act strongly when you call them for appointments having an HMO plan.

The fact is that insurance companies (being a large monopoly dealing with a non-union crowd) have pressured many doctors (both in medicine and dentistry) to sign up with HMO plans. That has resulted in lowering of the quality of service across the country.

Next time you are thinking about selecting an insurance plan keep in mind the way they reimburse the doctors. You should not make your decision only based on the list of co-pays they give you. You may end up paying much more for a lower quality of service in the long run.

Go to <http://dentistry21.com/public> for more information.

Dentistry21.com a comprehensive dental resource that contains dental plan information. You can compare and buy a dental plan that suits you.

## **Types Of Dental Insurance**

### **By Terry Ross**

There are several basic types of dental insurance plans offering a range of cover from the most basic dental care plans to complete all encompassing dental insurance plans.

Basic dental care plans aren't effectively an insurance but rather a `club' that enables you to obtain discounted dental care from participating dentists. The level of discount is largely dependant on the monthly fee you pay but unlike dental insurance there is no limit to the amount of discounted treatment you can receive. One thing to check with dental care plans is the amount of local dental coverage (if any!). You can join a dental care plan for just a few dollars a month.

Indemnity Insurance Plans are a type of dental insurance whereby you pay the insurance company a fixed monthly fee who, in turn, will reimburse your dentist for services rendered. However, the dental insurance company doesn't normally cover the whole cost with the policy holder be liable for 20 - 50% of the total cost. If you take out an indemnity plan you need to check the level of deductibles and the maximum amount the insurance policy will pay out in any given year. Also find out the length of any probationary period during which the dental insurance company won't pay out and whether you are able to use your own dentist. Expect to pay around \$14 to \$26 per month.

One of the increasingly popular dental insurances is the direct reimbursement plans which are self funded by employer's rather than paying dental insurance premiums. As a general rule the person receiving the dental care will pay the fee in full and reclaim all or part of the cost (depending on what level of cover their particular employer provides) from their employer. Annual benefits of this dental insurance option are usually capped with the capped level varying quite significantly from one employer to another

Capitation dental insurance plans (HMO's) are when the dentist is paid an annual fee per patient rather

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than on a treatment basis. However, the dental insurance policy holder may be required to contribute towards the cost of any treatment. The cost of HMO insurance plans are generally targeted at preventative and emergency care and can vary from patient to patient following an initial examination.

Preferred provider organisations (PPO) offer an insurance plan that allows you to visit dentists from a preferred supplier list at a heavily discounted rate. If you choose to use a dentist that is not covered by the dental plan you will still receive some element of discount but nowhere near as much as you will receive from a 'preferred' dentist. As with most dental insurance plans an annual cap will apply. Expect to pay up to about \$25 per month.

UCR (Usual, Customary & Reasonable) indemnity dental insurance plans have a database which contains average prices for each dental procedure you might undergo. When you submit your bill for payment the dental insurance provider will check the cost of your treatment against the average. If you paid more than the average you will have to incur the additional cost with the insurance company only paying the insured percentage of the fee shown in their database. If the cost of your treatment is lower than average you will receive the agreed percentage of the amount you paid. There is no control over how dental insurance companies calculate the UCR cost and the insurance company always pockets the benefit of lower fees.

For more on

visit my website [1st-4-teeth.com](http://1st-4-teeth.com)



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