

# Select the dental benefits that best meet your employees' needs



## Understand how scheduled and unscheduled dental insurance vary

When you're looking to offer employees dental benefits, it's important to have options, and know their advantages.

Principal® makes it easy by giving you choices — scheduled and unscheduled benefits. Depending on your employees, your location and other factors, one likely rises above the other for you.

### What are scheduled and unscheduled benefits?

With **scheduled benefits**, the maximum charges for both in-network and non-network dental services are based on amounts agreed to by network dentists,<sup>1</sup> known as a negotiated fee schedule.

**Unscheduled benefits** are different. The maximum charges for in-network services are based on the amount agreed to by network dentists. But for non-network dental services, maximum charges are based on what's referred to as the usual, customary and reasonable (UCR) prevailing fee. Typically, this is what 80-90% of the charges are for a procedure within an area.

Let's look at how claims are handled based on the option you select for your employees.



### Large network with a nationwide reach

Having access to a large network means your employees have a wide variety of dentists to choose from. Our Preferred Provider Organization (PPO) network ranks #1 in many metropolitan statistical areas,<sup>2</sup> with 113,000+ unique dentists with multiple offices.

	In-network dentist	Non-network dentist
Scheduled	The maximum charge for each procedure is based on the negotiated fee schedule amount.	Principal pays the covered claim based on the negotiated fee schedule. If the dentist charges more than the scheduled amount, the employee is responsible for paying the difference.
Unscheduled		Principal pays the covered claim based on the UCR prevailing fee. If the dentist charges more than the UCR, the employee is responsible for paying the difference.

The real difference in cost? Scheduled benefits offer an average premium savings of 15% compared to unscheduled benefits. With scheduled benefits, employees experience higher cost-sharing of non-network services and generally seek out in-network dentists more often. Ultimately, with both scheduled and unscheduled benefits, going to an in-network dentist offers the most savings to your employees.

### How do scheduled and unscheduled claims differ?

Here are examples of what a scheduled non-network claim would look like vs. an unscheduled non-network claim.

Scheduled non-network claim					
Dentist charge	Negotiated fee	Patient \$50 deductible	Patient 20% coinsurance	Difference of dentist charge and negotiated fee	Total out-of-pocket cost
\$200	\$140	\$50	(\$140-50) x20%=\$18	\$200-140=\$60	\$50+18+60=\$128

Unscheduled non-network claim					
Dentist charge	UCR prevailing fee	Patient \$50 deductible	Patient 20% coinsurance	Difference of dentist charge and UCR prevailing fee	Total out-of-pocket cost
\$200	\$185	\$50	(\$185-50) x20%=\$27	\$200-185= \$15	\$50+27+15= \$92

You'll see that with scheduled benefits, in addition to the deductible and coinsurance, the employee would pay the difference between the dentist's charge and the fee schedule amount. When you're in-network, scheduled and unscheduled out-of-pocket costs are the same.

In-network claim					
Dentist charge	Negotiated fee	Patient \$50 deductible	Patient 20% coinsurance	Difference of dentist charge and negotiated fee	Total out-of-pocket cost
\$200	\$140	\$50	(\$140-50) x20%=\$18	\$60; for an in-network claim, the patient is not responsible for this amount	\$50+\$18= \$68

### Other ways to save costs

Whether you decide to offer employees scheduled or unscheduled dental benefits, you can help lower costs and boost network use by varying these amounts between in-network and non-network benefits<sup>3</sup>:

- Coinsurance percentages
- Deductibles
- Benefit maximums

<sup>1</sup> In MA, NV and NJ, non-network payments are based on a maximum allowable change (MAC) schedule.

<sup>2</sup> April 2017 Strenuus data. Strenuus is a network comparison tool of national competitors.

<sup>3</sup> Not available in all states.

### principal.com

Group dental insurance from Principal® is issued by Principal Life Insurance Company, 711 High Street, Des Moines, IA 50392.

Network size and quality are not the only factors to consider in choosing dental coverage. This is an overview of the benefits dental insurance provides, but there are limitations and exclusions. For additional details, contact your employer. If your dental benefits are self-funded, then your employer assumes financial responsibility for paying claims, and Principal is contracted to administer the coverage on your employer's behalf. Policy Form GC 7100.

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