

Dental ASO



SELF-INSURING DENTAL BENEFITS

Dental ASO provides a plan sponsor with the opportunity to self-insure their Dental Care benefits. Since Dental benefits are typically a lower risk component of the group benefit plan, by assuming the claims risk, plan sponsors enjoy potential cost savings while the remainder of their benefits are fully insured.



Plan Design

Any Dental Care benefit (Basic procedures, Periodontic and Endodontic procedures, Major Restorative, and Orthodontic procedures) available to groups below 20 lives is eligible for this funding arrangement.



Why Dental ASO?

Dental claims are typically more predictable than other benefits. Plan Sponsors who assume the dental claims risk may enjoy potential cost savings over the long run. Plan sponsors will be paying only for the eligible claims made by their insured employees and their dependents, plus expenses. Since the plan sponsor is self-insuring the dental benefit, they do not pay the risk premium that is in the insured dental rates.



Administration

Monthly Billing

The plan sponsor will receive a monthly billing which will outline the claims for each employee. The monthly dental deposit rates will reflect the expected eligible dental claims plus expenses. The expenses will include administration fees, premium tax (where applicable), and commissions.

Annual Reconciliation

There will be an annual reconciliation where the total deposits received will be balanced against the eligible claims paid, plus expenses. If the balance is positive, the surplus will be credited on the next billing. If the balance is negative, the deficit will be charged on the next billing. The reconciliation will occur 3 months prior to the renewal date.

Know the Risks

The initial monthly deposit rates reflect a certain level of anticipated dental claims and expenses based on various factors such as the plan design and employee demographics. Some factors make dental claims more difficult to predict (i.e. small employee group, high employee turnover) and increase the likelihood of a significant adjustment at the annual reconciliation. Since the initial deposit rates are estimates and the actual results can vary, the plan sponsor should be aware that there could be a deficit or surplus at the annual reconciliation.

The commitment to Dental ASO should be long-term, as over time, the plan sponsor might expect a lower net cost.

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