

# DON'T BE FOOLED BY PERCENTILE COMPARISONS

## HOW PERCENTILES ARE DETERMINED

Dentist fee reimbursement is typically set based on a percentile. Fee percentiles offer a means of representing the distribution of fees charged by dentists in a particular area. Percentiles are determined by ordering all values in a range from smallest to largest.

For example, the 90th percentile means that 90 percent of providers' fees will be covered in full, the 75th percentile means that 75 percent of providers' fees will be covered in full, and so on.

## WHAT IT MEANS TO YOU

It is important to note, the 90th percentile does not mean 10 percent savings. In order to determine savings you need to know the fees in the sample and where the fee in question fits within the sample. Savings for fees in the 70th to 90th percentiles typically range from 1–4 percent due to the way fees tend to cluster.

## WHY YOU CAN'T COMPARE PERCENTILES

One would assume you could compare percentiles from different carriers side by side. But a number of variables affect the fees on which the percentile is based, and therefore skew comparisons:

- **Which fees were chosen?** The procedures used to derive the percentile can change from one carrier to the next.
- **What area is represented?** Fees vary based on geographic area and carriers may set boundaries differently.
- **How many fees are available?** If there is insufficient fee data, the result will not be representative.
- **When was the sample taken?** Fees may increase over time.

## PERCENTILES AND DISCOUNTS ARE DIFFERENT

In evaluating plans for value, be sure to consider both percentiles and network discounts.

Percentiles are important when a patient selects a nonparticipating dentist. Since the nonparticipating dentist will recoup 100 percent of his or her submitted fee, the percentile plays into how much of the cost will come from the plan versus the patient.

When in network, looking at network discounts is more important than percentiles. The network discount is equal to the difference between the dentist's submitted fee and the maximum plan allowance. Delta Dental members are never balance billed for covered services when visiting an in-network dentist. Any amount above the maximum plan allowance cannot be billed to the member.

*Percentile comparisons between carriers are unreliable as a measure of value. In addition, percentiles are only a portion of overall value—total cost and savings is what truly counts.*

## HOW DELTA DENTAL PREMIER® HELPS

*Delta Dental Premier is a broad access network that expands the Delta Dental network boundary. Because of the dual networks, Delta Dental keeps two to three times as many patients in network as competitors.*

*Dentists who participate with Delta Dental Premier agree to accept reduced fees as full payment for covered services. Although network fees are slightly higher than within Delta Dental PPO<sup>SM</sup>, Delta Dental Premier produces savings for both employers and their employees. And since Delta Dental dentist agreements protect members from balance billing, members will see the greatest out-of-pocket savings by choosing to stay in network.*

## MORE ACCESS. BETTER OVERALL VALUE.

In North Carolina, more than 2,450 dentists participate with Delta Dental Premier and more than 1,450 dentists participate with Delta Dental PPO, providing unparalleled access to care.<sup>1</sup>

Nationally, 80 percent of dentists participate in one or more Delta Dental programs.<sup>2</sup>

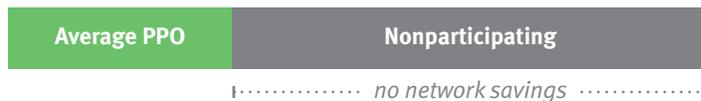
## DELTA DENTAL'S NATIONAL NETWORKS

*More network dentists equates to **bigger cost savings** and **higher network utilization***



## OTHER PPO-ONLY CARRIERS

*A smaller network results in **higher program costs**, **increased balanced billing** and **less network utilization***



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1 Delta Dental of North Carolina network statistics, April 2013. 2 Delta Dental Plans Association, www.deltadental.com, accessed April 2013. 6220-NC v1