

Definition

A procedure whereby a beneficiary/patient authorizes the administrator of the program to forward payment for a covered procedure directly to the treating dentist.

How to submit claims for assignment of benefits using the ADA claim form

This is done using box #37 on the ADA claim form. The below image shows the specific instructions for how to complete box #37 for use with assignment of benefits.

37. **Authorize Direct Payment:** The signature and date (or "Signature on File" notice) are required when the Policyholder/Subscriber named in Item #12 wishes to have benefits paid directly to the dentist/provider. This is an authorization of payment. It does not create a contractual relationship between the dentist or dental entity and the insurance company.

Claim forms prepared by the dentist's practice management software may insert "Signature on File" when applicable in this Item.

Things to keep in mind – payers don't always follow the rules

- Some dental plans will not honor the patient's request for assignment of benefits to non-participating dentists even though the patient has signed the appropriate section of the dental claim form. Instead the patient is paid directly.
 - **Why?** Dental plans claim that it is their prerogative to honor assignment of benefits and that it is a benefit for being a network dentist. This can pose problems for a dental office as many times it has been reported that patients simply cash the checks and subsequently do not pay their dental bills.

How the ADA is trying to help

The American Dental Association working closely with our state dental society partners have helped pass legislation in **23 states** basically requiring a dental plan to honor assignment of benefits if the patient has authorized assignment to the dentist on the dental claim form. See the list of these states below.

Alabama / Alaska / Arizona / Colorado / Connecticut / Florida / Georgia / Idaho / Illinois / Maine / Mississippi / Missouri / Nevada / New Hampshire / New Jersey / North Dakota / Oklahoma / Rhode Island / South Dakota / Tennessee / Texas / Virginia / West Virginia

Dentists in states without this type of legislation are encouraged to work closely with their state dental societies to lobby lawmakers in these states to pass similar legislation. Unfortunately, self-funded plans often take the position that they are established under a federal statute, ERISA, and are exempt from state insurance laws, including assignment of benefits laws.

What is the bottom line on assignment of benefits?

- In states that enact assignment of benefit laws, an enrolled patient may decide to have their insurer pay the dentist directly. The insurer must follow the patient's directive, no matter the dentist's network participation status.
- However, even if there is such a law, self-funded plans may take the position that they are exempt from state insurance statutes, refuse patients' assignment of benefit directives and pay the enrolled patient directly instead.
 - This results in confusion for dental offices because some patients are being paid directly while some dental offices are being paid directly by the same dental plan; and most of the time the dental office is not going to know whether the patient's dental plan is fully insured or self-funded.

Additional information on other valuable educational ready-to-use resources on innovative dental insurance solutions for dentists can be found at [ADA.org/dentalinsurance](https://www.ada.org/dentalinsurance).