Downcoding

Downcoding is when dental plans use a procedure code different from the one submitted in order to determine a benefit in an amount less than that which would be allowed for the submitted code.

Generally, when a dentist signs a participating provider agreement (i.e., contract), he or she has agreed to abide by the dental plan's processing policies which are used to control costs. These policies are typically not found in the agreement itself, but can generally be found in the dentist's providers manual or on the payer's online portal.

Examples of Downcoding

1) An example of downcoding is when a dentist submits a posterior composite restoration and the plan provides the benefit of an amalgam restoration. If the dentist is not in-network with the plan, the plan will still pay based on an amalgam; however, the dentist can bill the patient up to his/her full fee for the composite restoration.

2) Another example is the case of a twelve year old patient with adult dentition who received a D1110 prophylaxis - adult. It has been reported that some plans have rejected the claim for D1110 and returned an explanation of benefits (EOB) statement indicating that the correct code is D1120 prophylaxis – child as this is the correct code because the dental benefit plan defined a patient under age 14 as a child, no matter what dentition is present.

   This is worth an appeal because the message implies that the dentist miscoded the claim – which is not true. An appeal could be avoided if the EOB acknowledged that the reimbursement was based on the benefit plan's design.

   If the dentist is not in network with the plan, the plan will still pay based on a child prophylaxis; however, the dentist can bill the patient up to his/her full fee for the adult prophylaxis.

It is also important to note that appealing a claim may not always result in greater reimbursement but could simply help prevent misperceptions by the patient. Remember, the only proper action is for the dentist to code for what he or she does.

When a third-party payer downcodes a procedure, it may be understood by the patient that the payer is making a determination that a lower level of care was needed or should have been provided, but in reality the plan pays for a lower level of service with no judgment made about the level of service provided. Dentists feel that the determination of the level of care necessary for the treatment of their patients should be made by them and not the patient's dental plan. Unless the business reason for the payer decision is explained, this may wrongfully interfere with the dentist-patient relationship.

Resources for Dentists

If you feel that the claim was not properly adjudicated, you should appeal the adverse decision with the dental plan in writing. Learn how to file a proper claims appeal. You may want to call the plan using the toll free telephone number provided on the patient's identification card for further questions and assistance.

Another important resource the ADA offers is the Contract Analysis Service. Members may submit an unsigned contract to their state or local dental societies who will forward it to the Service for a free analysis. The Service provides a plain language explanation of contract terms of each agreement analyzed. The Service does not provide legal advice or recommend whether a contract should or should not be signed.

In addition, it is recommended that patients impacted by these policies consult with their human resources department to determine their entitled level of benefit prior to treatment.

For additional educational, ready-to-use information on handling other dental insurance issues, visit ADA.org/dentalinsurance.