

At the American Dental Association, we often hear from dental offices wondering how it is possible that they are a network dentist for a dental plan even though they did not sign a participating provider agreement with that particular plan. How can this happen?

Did you signed an agreement with an affiliated carrier's clause?

An affiliated carrier's clause in an agreement makes the dentist a participating dentist for the affiliated plan. Dental insurance and PPO leasing companies may lease their network to insurance companies with a limited or small network or to third party administrators that do not have access to a network of dentists. Dentists agree to charge discounted fees in order to gain access to these patients. These patients then have access to network dentists with reduced fees.

Unfortunately, it has been reported that some of these plans fail to notify dentists that the dentist is now a participating provider with a new plan. Even though the dentist treats the patient expecting to receive his or her full fee, they are then surprised when their office receives an explanation of benefits (EOB) statement indicating a reduced fee and restrictions against balance-billing the patient.

There are potential advantages and disadvantages of utilizing plans with leased networks.

Some dentists may want the network exposure and opportunity to increase their new patient base. A potential disadvantage is that dentists who signed contracts with one PPO plan can be shocked to find out that they are now contracted with other plans. It is even possible that a dentist who signs a contract with one PPO plan may have agreed to participate with dozens or even hundreds of plans across the country.

To prevent being caught off guard, important questions to consider asking before signing an agreement with an affiliated carrier's clause include:

- *What fee schedule will be in effect?*
- *What processing policies will be utilized?*
- *How will you be notified when your name is leased to another plan?*
- *Will you have the option to opt out of participation with a specific plan?*

Dentists should always carefully review EOB statements to verify that proper fees and policies are being observed per the signed participating provider agreement. In addition, dentists should check to see if their state has passed legislation regulating PPO leasing. At last count, twenty-four states have passed this type of legislation.

ADA Resources on [Dental Insurance Contract Issues](#) available at [ADA.org](#):

- The **ADA Contract Analysis Service** can provide member dentists with information concerning a proposed unsigned contract so you are able to better understand and analyze its terms. The service is free for member dentists who request review through their state or local dental society.
- On-demand **webinar** [The Growing Impact of PPO Leasing on Your Dental Practice](#)
- A **podcast** episode called [PPOs, Leased Networks and Your Practice: The Impact](#)

Additional information on 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).

Comprehensive ADA Policy Statement on Inappropriate or Intrusive Provisions and Practices by Third Party Payers (Trans.2016:290; 2017:266) (The following is taken from this policy).

Automatic Assignment of Participating Dentist Agreements: Contractual language which allows PPO leasing companies and third-party payers to obligate the dentist to participate in any other third party payer or managed care network without full disclosure of fees, processing policies and written consent from the dentist. This is typically accomplished by selling or providing the discount rate information to any other third-party payers and/or other managed care networks.