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## SIGNING THE AGREEMENT

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When you sign a participating provider agreement, you make promises that will be legally binding on you. If you fail to do what you promise, the other party may be able to terminate the contract or may initiate legal action against you for breach of contract. It is, therefore, essential that you review any contract carefully before you sign it.

Before signing any contract, the ADA recommends you utilize the services of the American Dental Association's [Contract Analysis Service](#). Member dentists can send an unsigned agreement to their local or state dental society who will forward the agreement to the ADA legal division for a free analysis. The service does not recommend whether a contract should or should not be signed but does provide a plain language explanation of contract terms.

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## HOW TO MAKE THE TERMINATION DECISION

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**Making the decision to terminate a network agreement is an individual business decision.**

- Evaluating the fee schedule – Check your practice management system to determine the top 25 procedures you most often perform. Many of these will likely be preventive and diagnostic procedures. Using a spreadsheet you can compare the allowed fee for these procedures to your full fee. Then you will have to estimate how many of these patients you will keep at your full fees if you decide to terminate the agreement compared to how many you currently have with the discounted fee schedule. This will help you determine how write-offs are affecting your bottom line.
- Check to see if common procedures your office provides are affected by the payer's processing policies, such as bundling, downcoding and least expensive alternative treatment (LEAT) clauses. These policies can have an impact on your bottom line.
- Network leasing is also something you will want to take into consideration. A leased network arrangement is where a plan agrees to share its dentist network with another carrier. A plan may add one or more leased networks to its proprietary network. If an insurance plan utilizes multiple leased network fee schedules, it is possible the plan will apply the lower contracted fee from the leasing company.
- If the plan imposes a most favored nation clause, the dentist has agreed that charges for covered services provided to covered persons will be at the lowest rate as is charged to other patients.
- The plan may have a provision that requires your office to give a discount to a patient if the procedure is not covered by the dental plan. Other plans have implemented non-billable policies which means that if the plan does not cover a particular procedure, it may also require the network dentist to not bill the patient for the procedure. These are just more examples of how your revenue stream can be impacted.
- A network contract may require your office to participate in audits of the plan's insured patient's records. Audits can be very time consuming and stressful for dental practices. Before you sign a participating provider agreement, you should ask the plan if and how audits may be requested.

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## BEST PRACTICES TO PREPARE YOUR OFFICE PRIOR TO TERMINATION

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- After you have made the decision to terminate the network agreement, you may want to wait 6-12 months to do so. This will give your staff time to inform patients that on their next recall visit, your office will no longer be in network with the patient's plan.
- It is recommended you train your staff on how to explain to these patients why your office has chosen to no longer be a participating provider with the plan.
- Train your team and have them rehearse answers to the most frequently asked questions by your patients.
- Train your staff on how to advise patients on the benefits of the quality of care your office provides regarding: investments in new technology and equipment and enhancing the safety of patients by upgrading personal protective equipment.
- Written notices and email messages should be sent to these patients to clearly communicate that they can still visit your office as an out-of-network provider if the plan is not an exclusive provider organization (EPO) plan which will only allow patients to see a network provider.
- It is extremely important to train your staff on how to address questions about your out-of-network fees reminding patients on the quality of care that your office will continue to provide to them for years to come.

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## TERMINATING A NETWORK AGREEMENT

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***Always have a copy of your signed contract. Ask for a copy if you do not have one!***

- Read the contract's termination clause carefully before you terminate the agreement. The following is an example of a termination clause in an agreement.

*"This agreement shall be effective upon execution by both parties and shall continue in effect for successive 1-year periods until affirmatively terminated by either party according to the termination provisions set forth below. This agreement may be unilaterally terminated without cause by either party by providing {X} days advanced written notice, or if either party breaches the terms of this agreement."*

- Check your signed agreement to determine how much advance written notice is needed. For example, a plan may require either 30, 60 or 90-days advance written notice.
- It is recommended you send the letter via certified mail, to the proper address indicated by the plan, and be sure to keep a copy of the letter for your records.

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## WHAT TO EXPECT AFTER YOU TERMINATE THE AGREEMENT

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- Plans may send letters to your patients indicating that your office is no longer a network provider with the plan and that patients may save money by visiting a network provider. Some plans even provide the name, address and phone number for network dentists on explanation of benefits (EOB) statements sent to patients seeing out-of-network providers.
- Plans may impose higher deductibles and lower annual maximums for patients receiving care from non-participating dentists. Plans may also impose higher co-insurance percentages on patients seeing non-participating providers. For example, instead of covering cleanings at 100%, a plan may cover cleanings at 90% if done by a non-participating provider. The intent of these policies is to steer patients to offices of participating dentists by shifting a higher burden of the dental treatment costs on to the patient instead of the dental plan.
- You may want to send a letter to the affected patients to let them know that they can still visit your office as an out-of-network provider assuming the plan provides coverage for visits to out-of-network providers. It may also be a good idea to self-promote the advantages and the reasons why patients would want to receive treatment from your dental office.
- Once you are no longer in network with the plan it may not assign benefits directly to your office. Some plans consider assignment of benefits as a benefit to network providers. You may need to review and adjust your office's payment policies if plans are going to send payments directly to your patients and not to your office. The good news is that twenty-three states have passed legislation requiring that assignment of benefits be honored if authorized by the patient. If your state has not passed assignment of benefits legislation, it is recommended you lobby your state dental society to consider doing so.
- Some plans may no longer send EOB statements to non-contracted providers and this may cause interference in the dentist-patient relationship.
- A contract may extend the dentist's obligations beyond the termination date. For example, the dentist may be required to provide covered services to patients under active treatment until the treatment is completed or until the patient is transferred to another dentist. Then the question becomes how is "active treatment" defined?
- Other questions to consider include:
  - Do any of your contract rights or obligations remain in force after the contract is terminated?
  - Will you be required to complete work in progress?
  - How will you be paid for work you complete after the contract is terminated?
  - Will you still be bound by the contract price?

**It is imperative that you read your contract carefully** and call the plan with any further questions.

- Dentists should be aware of state laws on patient termination to avoid charges of abandonment. Contract obligations do not supersede the dentist’s ethical and legal responsibilities.
- After termination takes effect, you should visit the plan’s website to determine if your name has been removed from the participating provider list. As a best practice dentists should submit a request in writing at the time of termination, asking plans to remove their names from any participating provider list. If your name is still on the participating provider list, you should contact the plan immediately. If you run into further problems, please contact the ADA at 800-621-8099 or by email at [dentalbenefits@ada.org](mailto:dentalbenefits@ada.org).

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#### CONTRACT NEGOTIATION GUIDE

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If you are a participating provider with one or more dental benefit plans or are considering becoming one, you may wish to negotiate the terms of your insurance provider agreement prior to entering into your agreement and/or when it comes up for renewal. You may also wish to negotiate reimbursement rate increases from time to time. This negotiation should be done individually, between only you (or your attorney) and your plan, and not with or on behalf of other dentists. For more information, please view the [Contract Negotiation Guide](#).

For further information on dental insurance and third-party payer issues, visit the [dental insurance online hub](#).