



There are three basic types of Dental Plans: Dental HMOs, Dental PPOs and Dental Indemnity.

Key characteristics of the three basic types:

Dental HMOs:

HMO stands for *Health Maintenance Organization*. If you participate in a Dental HMO, you generally have

- Lower premiums than either a Dental PPO or an Indemnity plan
- No annual maximum to the benefits the plan will pay
- A restricted network of dentists and dental providers
- No benefits for going to out-of-network dentists or providers
- A list of copays (standard costs) you will spend for office visits and specific dental services

Dental PPOs:

PPO stands for *Preferred Provider Organization*. If you choose a Dental PPO, you can expect

- Higher premiums than a Dental HMO
- An annual maximum to your benefits (often \$1,000, but it varies by plan)
- A network of dentists or providers that have agreed to offer discounted services
- Some benefits paid to out-of-network dentists or providers you might choose to go to instead
- A list of the percent the insurance company will pay for different dental services. (For example, many Dental PPOs cover 100% of preventive services like exams and cleanings but may pay only 50% for major expenses like crowns or bridges.)

Dental Indemnity plans:

This is traditional fee-for-service insurance, offering the most freedom of choice. You can expect

- Higher premiums than either a Dental HMO or Dental PPO
- An annual maximum to your benefits
- A small deductible you must meet
- No network of providers, meaning you get the same benefits with any dentist you choose (but also meaning there are no network-negotiated discounts on dental services)
- A list of the percent the insurance company will pay for different dental services, just like with Dental PPOs

INSURANCE VERSUS INDEMNITY (Discount Plan)

Dental insurance is a type of health insurance where you pay a premium and after any deductibles or copays, insurance pays for covered dental expenses either in full or partially up to an annual maximum. Typically the dental office bills the insurance company first and bill you next if applicable.

Indemnity discount plans operate more like price clubs. You pay a fee, and you get access to certain discounted rates at select dentists. There's no payout from the discount plan company to your dental provider. Typically, you pay at the point of service after the discounts are applied.

	Dental Insurance	Discount Plan
Monthly cost	Generally higher than discount plans	Generally lower than dental insurance
Monthly cost	A balance between you and the insurance company	You pay the fee for joining and pay for the dental service at the discounted provider rate
Rates and providers	In-network providers provide services at discounted rates or by copay. Some plans cover preventive care at no cost.	Select providers provide reduced rates on select services
Deductible	Generally, yes	No
Copay/coinsurance	Sometimes	No
Waiting period	Usually not for preventive care; usually for basic or major services	No
Annual maximum benefit	Usually yes	No. Since no benefits are paid out, there is no maximum benefit

Note: Both are generally a better option than paying cash out-of-pocket because both have negotiated lower rates on dental care with the dentists involved in their networks.