

**STERLON**

**UNDERWRITING MANAGERS LTD.**

*Licensed Loss Adjusters (Legal Expense)*

# Data Mining

What Dentists need to know

**RAVEN, ALLEN, CAMERON, BALLANTYNE & YAZBECK LLP/s.r.l.**

*Barristers & Solicitors • Avocats et notaires*

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## **Dental billing in Canada**

Every dental procedure, from check-ups to cleanings, fillings to major reconstructive work, is billed according to a specific code. Every province in Canada has a fee guide for each of these coded procedures, based on what is deemed to be appropriate, given the skill level, time and difficulty for each procedure.

The fee guide is simply that – a guideline for dental practitioners and it is not mandatory. Each practitioner is expected to independently determine reasonable fees for services provided based on his or her own practice, experience and personal expertise.

## **The High Cost of Dental Coverage**

Insurance companies in Canada pay out billions of dollars every year in dental insurance claims. In Ontario, for example, 60% of individuals have some form of dental insurance, either through personal policies or employee benefit programs. These insurance policies pay out more than \$2.4 billion a year in claims, in Ontario alone.



## **What is data mining?**

Insurance companies collect the data from each dental claim submitted. This data is entered in a data bank and then analyzed according to codes, procedures and pricing. This enables insurance companies to create a complete dental history on every patient.

This same data also allows insurers to create a professional profile on dentists. The insurer can then analyze individual dental practices according to how much each dentist has billed that particular insurance company, the frequency of each procedure billed, and the number of x-rays taken. This presents a general profile of each practice.

On a larger scale, data mined from dental claims is used to build municipal, regional, provincial and national profiles.

## **Am I being monitored?**

Once data is collected, sophisticated software enables insurance companies to have a series of trip wires that send up a red flag if any billings fall outside certain parameters. Although fee guides are subject to interpretation, insurance companies will also flag any dentists who consistently bill the maximum permitted as outlined in the guide.

Using the data mined from claims submitted by your patients, your billing practices will be placed on a bell curve and compared to other dentists in your area, and across your province. If this billing practice investigation notes any anomalies, these will be flagged.

## **What happens if my records are flagged?**

You could receive a detailed letter from the insurance company outlining areas where your billing practices have been deemed to be outside what they have determined is in keeping with the spirit of your province's dental fee guidelines.

You will be asked to provide an explanation for any anomalies within a set period of time. If you fail to respond, or if the insurance company isn't satisfied with your response, you will be required to repay any monies that they have determined were over-billed.

### **What should I do if I receive such a letter?**

Contact a lawyer immediately. Whenever you receive any communication regarding your billing practices, it is recommended that you seek legal advice from a knowledgeable professional who is familiar with these issues.

A lawyer can assist you in preparing your response and help answer any questions regarding your billing practices. If your explanation is not satisfactory to the insurance company, and the repayment amount cannot be avoided or minimized, it could have enormous financial implications for your practice. Repayment demands typically run between \$15,000 and \$60,000. A lawyer specializing in these issues can help negotiate both the amount and terms of the repayment.

### **On whose authority are these demands for repayment made?**

Once a red flag has been raised, an internal claims expert will examine your records. This person in turn may well have recourse to a consulting dentist who will provide advice to the company on the appropriateness of the billing practice.

### **What happens if I can't pay?**

The insurance companies can lodge a complaint with your dental college, which could lead to a lengthy investigation. They can also seek to recover any overpayments by taking you to court or offset the amount owing against current billings. In extreme circumstances, they can even refuse to accept any further claims.

### **How can I defend myself against such an action?**

Your best defence is simply being in a position to be able to make a defence. This can be prohibitive, given the increasing costs associated with legal representation. This is why Professional Legal Expense Insurance (PLEI) was introduced.

## What is PLEI?

Professional Legal Expense Insurance (PLEI) coverage exists for insurance company billing profile investigations, as well as legal issues such as patient complaints, professional misconduct, fitness to practice, licensing and other disciplinary actions conducted by your dental college. It also offers unlimited toll-free Telephone Legal Advice (TLA) together with indemnity for the legal fees incurred by a lawyer selected from a panel of law firms specializing in the representation of healthcare professionals.

The concept was introduced in Canada in 1990 and is being embraced by dentists and other healthcare professionals, the insurance industry and the legal profession as it makes the cost of first class legal representation more accessible. PLEI is different to malpractice insurance, which covers your liability in the event you are sued civilly. PLEI covers legal expenses incurred in protecting your right to practice and is available to dentists licensed and practising in Canada.

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STERLON Underwriting Managers Ltd. is dedicated to creating Legal Expense Insurance programs designed to meet the needs of Canadian companies, associations and individuals. These Legal Expense Insurance programs also include the provision of Telephone Legal Advisory Services through established and accredited service providers. STERLON personnel were responsible for introducing the concept of Legal Expense Insurance to Canada in 1990.

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**RAVEN, ALLEN, CAMERON, BALLANTYNE & YAZBECK LLP/s.r.l.** is a bilingual law firm with extensive experience representing dentists and other health care professionals in all aspects of professional discipline, including matters arising from the practice of data mining.

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