



Scheduled vs. Unscheduled Dental Benefits

With one of the nation's largest Preferred Provider Organization (PPO) networks, Principal Life Insurance Company offers substantial cost savings through tailored dental benefits. Depending on location and availability, you can take advantage of a scheduled or unscheduled PPO offering:

- An **Unscheduled PPO** bases the payment for in-network providers on the amount agreed to by PPO dentists, and bases the non-network payment on the usual, customary and reasonable (UCR) prevailing fee amount selected by the policyholder.
- A **Scheduled PPO** bases its payments for in-network and non-network services on the amount agreed to by PPO dentists. (In Massachusetts, Nevada and New Jersey, non-network payments are based on a maximum allowable charge [MAC] schedule.)

A scheduled design is similar to a MAC design and is a great cost-saving option for strong network areas or groups with high network utilization. Compared to a traditional unscheduled PPO, a scheduled PPO offers savings of up to 28% through higher cost sharing of non-network services and increased steerage to in-network providers.

Claims examples

This chart compares how claims are handled based on the PPO network option selected.

	PPO PROVIDER	NON-PPO PROVIDER
Unscheduled	The maximum charge for each covered procedure is the amount agreed to by the PPO dentist.	Principal Life pays the covered claim based upon the prevailing fee/UCR amount. If the provider charges more than the prevailing fee/UCR amount, the employee is responsible for paying the difference. Prevailing fees can range from the 50 th percentile up to the 99 th percentile. The prevailing fee amount is selected by the policyholder.
Scheduled	The maximum charge for each covered procedure is the amount agreed to by the PPO dentist.	Principal Life pays the covered claim based on the PPO negotiated fee schedule (or the MAC schedule in Massachusetts, Nevada and New Jersey). If the provider charges more than the scheduled amount, the employee is responsible for paying the difference.

Let's assume member John Doe has a filling and the provider's fee is \$200, the deductible is \$50 and the fee schedule amount is \$150. The scheduled in-network and unscheduled in-network example look the same.

Provider's Charge	Fee Schedule Amount	Patient Responsibility (\$50 Deductible)	Patient Responsibility (20% Coinsurance)	Balance-Bill Amount	Total Out-of-Pocket
\$200	\$150	\$50	$(\$150-50) \times .20 = \20	N/A	$(\$50+20) = \70

Scheduled non-network claims are considered at the fee schedule level just like in-network claims. However, the providers can balance bill for the difference between the charged amount and the amount we consider, the fee schedule amount. The scheduled non-network example would look like this:

Provider's Charge	Fee Schedule Amount	Patient Responsibility (\$50 Deductible)	Patient Responsibility (20% Coinsurance)	Balance-Bill Amount	Total Out-of-Pocket
\$200	\$150	\$50	$(\$150-50) \times .20 = \20	$(\$200-150) = \50	$(\$50+20+50) = \120

The unscheduled non-network example would look like this:

Provider's Charge	90 th UCR Amount	Patient Responsibility (\$50 Deductible)	Patient Responsibility (20% Coinsurance)	Balance-Bill Amount	Total Out-of-Pocket
\$200	\$185	\$50	$(\$185-50) \times .20 = \27	$(\$200-185) = \15	$(\$50+27+15) = \92

As the examples show, in-network claims are handled the same between unscheduled and scheduled PPO designs. On the non-network side, scheduled designs result in more out-of-pocket costs to customers. But higher out-of-pocket costs may be offset by lower premiums for scheduled designs.

Additional cost savings

Whether an unscheduled or a scheduled PPO is chosen, you can help lower costs and increase network utilization by varying these amounts between in-network and non-network services*:

- Coinsurance percentages
- Deductibles
- Benefit maximums

FOR MORE INFORMATION

Contact your local sales representative.

*Not available in all states.



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This summary is not a complete statement of the rights, benefits and limitations of Principal Life dental coverage. Examples are for illustrative purposes only. For cost and complete details of the coverage, contact your Principal Life representative.