



## MEMORANDUM

DATE: June 2, 2020

TO: Midwest Dental, Mountain Dental, Merit Dental & Mondovi Dental

FROM: VP Operations – Cameron Grant, Josh Postlewaite, Kelly Thompson, and Linda Aschtgen

### RE: PPE Fee

Welcome back everyone! It's exciting to have nearly 80% of our practices reopened as of yesterday. In just a few weeks we hope to have all of our practices reopened. Getting our practices back up and running has been no small feat.

While this has been a huge effort by all of you, it has also required a significant investment by the Company, especially on personal protective equipment (PPE). As an organization, we have invested over \$1.6 million dollars on PPE to reopen our practices in a safe and healthy environment. Reopening in the safest possible way is not only necessary, it is the right thing to do for the countless patients who have had to defer their care for weeks, and in some cases months.

As we continue to provide care during this pandemic, we anticipate spending another \$5 million dollars annually to resupply practices with PPE. For us to be a viable organization we have to offset this incremental cost. The dental industry alone cannot bear the increased PPE costs. Individual practices as well as supported practices across our geography are pushing for insurance payers to cover a portion of the cost. While some of our insurance payers have already committed to increasing reimbursements for this cost, others have disappointingly fallen well short in this area.

There are also inconsistencies across payers, which makes this more challenging. For example, Delta Dental in WI has provided a one-time lump sum of \$100,000 as part of their Practice Recovery Supplement Program (PRSP). While generous, this amount comes nowhere close to covering the cost for reopening our 78 Wisconsin practices nor does it cover the ongoing cost to resupply these practices with PPE. Other examples of various payer policies related to PPE can be found in the ADA COVID-19 Coding and Billing Interim Guidance document.

The ADA has provided guidance for coding and billing PPE during the pandemic. Some payers support the guidance, others like Delta Dental are providing different direction to practices. That said, we are going to follow the ADA guidance as we need a consistent and trackable approach across payers during this interim period. As a support organization, we will continue to negotiate and work with payers like Delta Dental for reimbursement consistency.

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As of Monday, June 1 we began charging a PPE fee to all patients. You should have received materials that detailed the increase in cost and how to charge out this fee in DentalVision, Carestack and Dentrax. If your office uses a different practice management system, you will receive supplemental guidance and your effective date is next Monday, June 8.

We have seen a range of assessed fees in our markets, with some practices charging over \$20 per visit, and others as low as \$10. Based on our expenses and market dynamics, we have settled at \$12 per visit in most states and \$15 in CT, MA, NJ and NY.

This fee should be billed and collected upfront for each patient visit regardless of whether the patient has insurance or is self-paying. We will reimburse the patient if their insurance covers the expense. This fee will not cover the total cost for the incremental PPE, but it will help offset a significant portion of it.

With most patients receiving the pre-screening survey link via text and email, we will communicate this new PPE fee at the end of the survey. We also already have it listed on our website in the patient FAQ and in the office on the patient consent form.

These are challenging times and these very real costs make it essential we implement this fee if we are going to continue providing care in our communities. Similar to past fee increases, professional judgement should be used for patients who are mid-treatment. We will reassess the fee on a regular basis as PPE costs may fluctuate if requirements change or supply becomes more readily available.

If you have additional questions, please refer to the PPE FAQs and guidance or reach out to your Regional Director.