

Direct Reimbursement

At



Paxton Company, a Norfolk, Virginia-based supplier of boat parts, marine supplies, and marine equipment believes in offering top quality benefits to its employees. In 1997, Paxton began offering a Direct Reimbursement plan when local dentist, Dr. Howard Tugwell, recommended the plan to the company's Chairman. The firm has approximately 100 employees, 90 of whom are enrolled in the dental plan.

Prior to 1997, Paxton had a traditional, insured plan with rising premiums, a network of dentists and a list of numerous excluded procedures. Ms. Margaret Beale, Paxton's Chief Executive Officer, was anxious to control the cost of the dental plan without compromising on the quality or coverage of the plan. When Ms. Beale compared Direct Reimbursement to the company's current plan, she realized they could save \$1,900, or about 10% of their annual premium, and enhance the benefit to employees.

Paxton's plan provides excellent coverage for its employees with an annual maximum benefit per covered individual of \$1,500 and no exclusions other than procedures performed for cosmetic purposes. The plan reimburses 100% of the first \$150 of dental costs, which usually covers the expense of two preventive exams. After a \$50 deductible, employees are reimbursed 80% of the next \$250 and 50% of the next \$2,300. Orthodontic procedures are fully covered for adults and children, without a separate limitation. Participants have freedom to choose their dental provider.

The plan is administered by Benefits Administration, Inc., which is headquartered near Richmond, Virginia. Benefits Administration, Inc. has been endorsed by the Virginia Dental Association since 1996 to promote and administer Direct Reimbursement plans throughout the state. Benefits Administration, Inc. currently handles Direct Reimbursement plans for over 50 companies ranging in size from 2 to 375 employees.

Ms. Beale gives her Direct Reimbursement Plan a rating of "Great!" She has been particularly pleased with the considerable savings, timely reimbursements, and accessibility of the administrator's staff. Ms. Beale says she has not received complaints about her employees having to pay for the cost of their dental care before claiming reimbursement. Overall, she says Paxton employees are very pleased with their dental plan.

For more information on how Direct Reimbursement can work for your company, please contact the Virginia Dental Association at 800-552-3886.