

UCR vs MAC plans. What's the difference?

When members use an OON (out-of-network) provider, the cost of their procedures may vary from that which they'd see INN (in-network). UCR (Usual, Customary and Reasonable) and MAC (Maximum Allowable Cost) **determine how Beam will pay for the procedures.**

UCR (Usual, Customary and Reasonable)

If a member has a UCR-based plan, providers charge a fee that has been set as the most commonly charged amount for that procedure in that location. This reimbursed amount is determined by analyzing claims data in a specific geographic location.

• THE UCR FEE

The UCR fee is the fee for a procedure in a zip-three*. Most Beam plans are 90th UCR plans - which means that the fee Beam will pay up to is the fee that 90% of dentists in that area would charge for a specific procedure. For example, Alex has a UCR dental plan which covers cleanings at 100% OON. She needs a cleaning and the dentist charges her \$50. The UCR fee for her area is \$50 because that is the amount 90% of the dentists in her area charge. Beam will cover all \$50 (100%) of the procedure.

*The first three digits of a zip code. For Beam's Columbus office, that would be 432--

• WHY CHOOSE UCR PLANS

UCR plans help you get the maximum from their OON providers, and are typically best suited for groups with employees in remote areas, or for members who plan to visit providers OON.

• UNDERSTANDING UCR PLAN BETTER

Alex has a UCR dental plan which covers root canals at 50% OON. She visits an OON dentist for a root canal, for which the dentist charges exactly \$1,500. The UCR fee in Alex's area is \$1,500, so the OON UCR plan will cover \$750 (50%) of the procedure. Alex will then be responsible for the remaining \$750 (assuming her deductible has already been met).

*If the dentist charges more than the UCR value, the plan will still cover 50% of the UCR value, and the member will be responsible for the remaining balance.

MAC (Maximum Allowable Cost)

If a member has a MAC-based plan, providers charge any fee that they have set for a procedure. The reimbursed amount a member will receive is negotiated between the insurer's in-network providers and the insurance company.

• THE LOCATION DEPENDENT FEE

The MAC fee is the location-dependent maximum that Beam will pay up to. For example, Alex has a MAC dental plan which covers cleanings at 100% OON. She needs a cleaning and the dentist charges her \$50. The MAC fee for her area is \$40. Beam will cover \$40 at 100% coinsurance, and Alex will be responsible for the remaining \$10.

• WHY CHOOSE MAC PLANS

MAC plans can reduce premiums, and are advantageous when the majority of a group's providers are considered INN.

• UNDERSTANDING MAC PLANS BETTER

Alex has a MAC dental plan which covers root canals at 50% OON. She visits an OON dentist for a root canal, for which the dentist charges exactly \$1,500. The insurer's INN negotiated fee for the procedure is \$900, so the OON MAC plan will cover \$450 (50%) of the procedure. Alex will then be responsible for the remaining \$1,050 (assuming her deductible has already been met).

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