

Ohio House of Representatives
Insurance Committee
May 23, 2018

Opponent Testimony
America's Health Insurance Plans
House Bill 367

Chair Brinkman, Vice Chair Henne, Ranking Member Bocchieri, and members of the House Insurance Committee,

My name is Sean Mentel, and I represent America's Health Insurance Plans ("AHIP"). Thank you for the opportunity to provide opposition testimony for H.B. 367.

AHIP is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers.

We offer testimony today in opposition to H.B. 367 for several reasons. This bill will have the effect of limiting the ability of dental plans to provide policyholders with negotiated rates for certain dental services. Such a proposal violates the right of insurers and dentists to freely enter into a mutually agreeable contract. As a result of limits placed on contractual rights, this legislation will burden customers with higher costs and could limit access to oral health care for Ohio's small businesses and families.

The bill seeks to prohibit dental plans from negotiating arrangements with dentists, impeding upon the implicit freedom to contract between the parties. The negotiations between dental plans and dentists provide consumers with access to discounted rates for services that are not normally covered by the patient's dental benefit plan and it is the consumer that is the resulting beneficiary of this agreement. The proposals in this bill harm consumers, and also infringe upon the rights of dental plans and dental providers to enter into contracts with terms that are agreed to by both parties. AHIP believes in, and supports such agreements, because they are advantageous to not only providers and plans but, more importantly, to plan enrollees. Providing enrollees with a negotiated price for services can result in access to better oral health care, which will improve and lead to better overall health.

Additionally, the legislation being considered today will likely harm Ohio consumers financially. The agreed upon price for non-covered services are in place to keep coverage affordable, as dental plans typically pay benefits based on a negotiated fee schedule within the network, and emphasize

coverage for preventative services. Studies have routinely shown that quality oral health care is extremely important to the development of children and the general health of adults. Should HB 367 become law, consumers will face uncertain out-of-pocket costs. The availability of services at discounted charges provides an incentive to consumers to obtain dental care, which plays a critical role in consumers' health. Overall health will be negatively impacted without access to affordable and high quality care.

The payment of benefits based on a negotiated fee schedule within the network is a different approach than that taken by major medical coverage. Unlike contracts for services under major medical coverage, it is common to negotiate dental service fees, not only for covered services, but also for non-covered services. These negotiated rates are then made available to consumers as part of their dental plan. This is a long-standing practice that enables consumers to access high quality dental services at an affordable cost. If agreements between providers and dentists are prohibited, consumers will no longer have the benefit of a negotiated fee and, as a result, will be required to pay more.

It is for these reasons, AHIP respectfully opposes H.B. 367. We appreciate you taking our views into consideration and thank the committee for the opportunity to present our testimony.

Sean Mentel