



May 22, 2018

The Honorable Tom Brinkman
Chair, House Insurance Committee
Ohio House of Representatives
77 S. High St.
Columbus, OH 43215

Dear Chair Brinkman,

On behalf of the nearly 8,000 members of the Ohio Chamber of Commerce, I would like to express our opposition to House Bill 367, legislation that would ban fee schedules for non-covered dental services.

To compete in the current job market, employers need to be able to offer candidates and current employees every possible reason to be part of their organizations. Voluntary benefits, such as dental coverage, can help with that.

In fact, seven out of 10 employers offer dental benefits and 88% believe dental benefits are an “essential” or a “differentiating” factor in the recruitment and retention of employees, according to a National Association of Dental Plans survey. Further, according to a 2017 Lincoln Financial report, 82% of consumers cite dental insurance provided by an employer as “very important” and 54% agree it is a “must-have.”

Given the importance of dental benefits to both employers and employees, the Ohio Chamber has three concerns with respect to HB 367:

1. It would eliminate the ability of a dental plan to offer a single fee schedule for all services – both covered and non-covered – under an employer’s plan. This is an important component of the dental benefits plans purchased by Ohio employers and increases the overall value of the program for employees by increasing the scope of benefits without increasing premiums.
2. It would cause harmful financial impacts on employees. Presently, because insurers are able to negotiate lower prices, employees only have to pay the maximum allowable fee even if the service is not covered by their dental plan. Many consumers benefit from this by seeing a reduction in their out-of-pocket costs. Without this protection, costs for non-covered services are generally higher.
3. It represents an unnecessary government intrusion into the rights of two willing parties to voluntarily enter into a private contract. Dental insurance companies’ non-covered services fee maximums apply only to dentists who have signed a participation agreement with the

dental insurance company. Dentists knowingly enter into contracts with these provisions in return for the increased patient volume that comes with joining a dental plan network. HB 367 would trump a key provision of these private agreements and rewrite the terms of a contract freely entered into by dentists and dental insurance companies.

The Ohio Chamber believes that the legislature should not use its power to intrude upon private business contracts. The wrong message is sent to the business community when government picks winners and losers in private-party contract disputes.

For these reasons, we urge opposition to HB 367. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Keith Lake". The signature is written in a cursive, slightly slanted style.

Keith Lake
Vice President, Government Affairs

cc: Members of the House Insurance Committee