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November 15, 2021

Representative Thomas Brinkman
Chair, House Insurance Committee
77 South High Street
11th Floor
Columbus, OH 43215

Re: HB 344, Dental Care Services Contract Prohibitions

Dear Chairman Brinkman:

I write today on behalf of AHIP¹ to respectfully oppose HB 344, which would burden consumers with dramatically higher costs and could limit access to oral health care for Ohio's small businesses and families.

HB 344 would limit the ability of dental plans to provide policyholders with negotiated rates for oral health care services by removing the right of insurers and dentists to determine mutually agreeable contractual terms that benefit consumers.

Specifically, the bill seeks to prohibit dental plans from negotiating arrangements with dentists, whereby consumers have access to discounted rates for services that are not otherwise covered by the patient's dental benefit plan. Such agreed upon discounts benefit consumers. Proposals that prohibit such offerings not only harm consumers, but also infringe on 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, as they prove advantageous to not only providers and plans but, more importantly, to plan enrollees. When enrollees benefit, it can result in access to better oral health care which can improve and lead to better overall health.

We are also concerned that the legislation being considered will harm Ohio consumers by removing a valuable financial benefit to them – an agreed-upon price for non-covered services. To keep coverage affordable, dental plans typically pay benefits based on a negotiated fee schedule within the network, with an emphasis on coverage for preventive services.

This approach to coverage is different than that for major medical coverage, resulting in a different approach when contracting with dental care providers. Unlike contracts for services under major medical coverage, it is common to negotiate 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. Prohibiting such arrangements harms consumers, who would then be required to pay billed charges without the benefit of a negotiated fee on their behalf by their dental plan.

¹ AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.

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Further, not only does this legislation limit dental plans' ability to negotiate terms with providers but it would go further by labeling the inclusion of non-covered services polices in dental contracts as an unfair or deceptive practice in the business of insurance. By labeling the inclusion of non-covered services policies as a quasi-criminal offense, Ohio would unfairly deny dental plans the ability to fairly negotiate with providers. Such a change would mark Ohio as an outlier and make the market less attractive to plans while subjecting consumers to higher costs.

Studies routinely demonstrate that quality oral health care is extremely important to the development of children and the general health of adults. Should HB 344 become law, consumers will face uncertain out-of-pocket obligations. The availability of services at discounted charges provides an incentive to consumers to obtain dental care, which plays a critical role in consumers' health. Without access to affordable and high quality care, the delicate balance of overall health and financial stability is endangered.

For these reasons, AHIP respectfully opposes HB 344. We appreciate you taking our views into consideration and seek your support in opposing this legislation. Please do not hesitate to contact me at mhaffenbredl@ahip.org (202-413-9817) should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Mary Haffenbredl".

Mary Haffenbredl
Regional Director, State Affairs, AHIP

Cc: Representative Brian Lampton, Vice Chair, House Insurance Committee
Representative Jessica Miranda, Ranking Member, House Insurance Committee