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November 16, 2021

Chairman Thomas E. Brinkman Jr.
CC: Insurance Committee
Ohio House of Representatives
1 Capital Square, Room 116
Columbus, OH 43215

Re: House Bill 344, Regards limits on dental care by health insurers

Dear Chairman Brinkman and members of the Insurance Committee:

The National Association of Dental Plans (NADP)¹ submits the following testimony in opposition to House Bill 344 regarding limits on dental services by insurers, referenced in this letter as non-covered services (NCS), and amending the definition of “covered services.” This Bill is on the Committee’s agenda for a hearing on November 17th. NADP opposes this bill because, while it would not increase costs for insurers, it would increase out-of-pocket dental care costs for Buckeyes that have dental benefits.

NCS legislation prohibits a dental plan from requiring a dentist to accept a negotiated fee set by the plan unless the plan compensates the dentist for the specific service. This type of agreement is common in provider contracts, a standard aspect of the contractual relationship that defrays the cost of dental care for plan enrollees. This benefits enrollees in situations where they need services that the purchaser or employer does not cover in the interest of keeping group dental premiums more affordable. Dentists knowingly enter into contracts with these provisions in return for the increased patient volume that accompanies membership in a dental plan network.

NADP respectfully opposes HB 344, and encourages the Committee to fully investigate the ramifications this bill would have on your constituents and employers in Ohio:

- Consumers’ out-of-pocket expenses will increase due to the loss of discounts on certain dental procedures.
- Employers may experience complaints due to employee dissatisfaction at increased costs for non-covered services.

¹ NADP is the largest non-profit trade association focused exclusively on the dental benefits industry. NADP’s members provide dental HMO, dental PPO, dental Indemnity, and discount dental products to more than 200 million Americans with dental benefits. Our members include the entire spectrum of dental carriers: companies that provide both medical and dental coverage, companies that provide only dental coverage, major national carriers, regional, and single state companies, as well as companies organized as non-profit plans.

National Association of Dental Plans

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Additional background information includes:

- Employers' demand for flexibility and affordability means not every dental plan design covers every single procedure on a dentist's contracted fee schedule. Often, the insurer pays 80% and the enrollee pays 20% of the contracted fee for a category of procedures that is selected and specified by the purchaser, in consultation with a benefits broker, consultant or the dental carrier. For other categories of specified services, the insurer pays 100% and the insured pays 0% of the contracted fee. Non-covered services are those for which the insurer pays 0% and the insured pays 100%. The value of having dental coverage when choosing these services lies in the lower rate the dentist has agreed to when collecting 100% of the contracted fee.
- While most policies cover the majority of frequently utilized procedures, a range of dental benefit plans, with appropriately varied premium ranges, is available in the marketplace to meet employer and employee budgets.
- Dentists choose to join a dental network and accept the contracted fees in return for increased access to patients who are customers of the dental carrier.

It is also possible that enacting this bill would only be a first step on the path to eliminating additional consumer protections. In several other states where similar legislation has been enacted, proponents have returned to state legislatures in subsequent years with amendments to narrow the range of services that can be considered "covered," gradually chipping away at these laws, further driving up costs for consumers.

In addition to these impacts, the bill improperly places penalties for violations in the Unfair & Deceptive Acts section of the Insurance Code, making inclusion of non-covered services policies in dental contracts a quasi-criminal offense. This is duplicative, as the bill already applies to the Health Care Contract Law, and is an unnecessary departure from approaches taken in other states and the National Council of Insurance Legislators (NCOIL) model legislation.

In sum, the effect of HB 344 would be to create confusion and drive-up costs for consumers of dental services, as well as opening the door to further erosion of protections that currently make dental services affordable. NADP appreciates the opportunity to share our views, and we are available to answer the Committee's questions. We have also attached our Ohio State Fact Sheet for your review. Thank you again for your attention to this important issue.

Sincerely,



Eme Augustini, Executive Director

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