

Ohio Senate Insurance Committee
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Rick Lantz – Vice President and Chief Lobbyist
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Delta Dental of Ohio

Opponent Testimony
Senate Bill 115

Chair Hackett, Vice Chair Lang, Ranking Member Craig, and members of the Senate Insurance Committee, my name is Erika Cybulskis and I am the Government and Corporate Citizenship Representative for Delta Dental of Ohio. I am joined by Rick Lantz, who is Vice President and Chief Lobbyist.

Thank you for this opportunity to express Delta Dental of Ohio's opposition to SB 115. There has been a lot of focus in recent years on finding ways to hold down the costs of health care for consumers – recently enacted state and federal legislation regarding surprise billing is one major example - but this proposed legislation goes in the exact opposite direction of that trend and would make dental care more expensive for insured Ohioans.

Delta Dental of Ohio opposes SB 115 for two primary reasons:

SB 115 is unwarranted government interference in private contracts voluntarily entered by dentists and dental plans. SB 115 would allow a dentist to receive the fruits of the private contract signed with a dental plan, but would relieve the dentist of one of the responsibilities in that contract. That makes SB 115 a prime example of government intrusion in a private contract voluntarily entered by two willing parties.

SB 115 will effectively eliminate a consumer cost protection measure, increase the cost of dental care for Ohioans, and devalue dental insurance purchased by employers, union groups, retiree groups, and individuals. SB 115, if enacted, will result in increased out-of-pocket costs for dental care for Ohioans. The dentists' gains will come at the expense of the patients who will have to figure out how to pay more or decide that they will forego care due to the higher cost of care.

SB 115 is not needed in Ohio.

The proponents of this legislation may claim that this legislative intervention in a private business contract is needed because they do not have a choice, but that is simply not true. It is important to remember that Ohio has a very robust and competitive dental insurance market.

Dental plans, including Delta Dental of Ohio, strive to provide competitive offerings to businesses, union groups, retiree groups, and individuals seeking private insurance, while at the same time maintaining healthy participation by dentists in their networks. Please consider the following figures:

- Ohio's population is approximately 11.8 million people.
- Approximately 6 million Ohioans, or 50%, are enrolled in a private dental plan.
- Delta Dental of Ohio has approximately 1.4 million subscribers in Ohio.

With figures like these, it seems unlikely that most Ohio dental practices have a majority of patients who have private dental coverage or that Ohio dentists are experiencing significant financial hardship as a result of the non-covered services policies of Delta Dental or other insurers.

Most importantly, dentists have the ultimate control over their practices' relationships with dental insurers. Dentists' participation with insurers is purely voluntary. If dentists are already participating providers, but decide they no longer wish to contract with Delta Dental, they can terminate their contracts at any time with 60 days' written notice.

Since Delta Dental implemented its non-covered services policy in 2008, the percentage of Ohio dentists who have a signed participation agreement with Delta Dental has increased. If Delta Dental were treating dentists unfairly, one would expect the percentage of participating dentists to shrink, not grow.

Dentists have testified that non-covered services policies financially constrain their ability to provide care. Please consider the following data when examining these claims:

- Only 2% of procedures submitted to Delta Dental of Ohio are for non-covered services.
- 14% of Delta Dental of Ohio enrollees have received a non-covered service.
- An Ohio dentist who participates with Delta Dental of Ohio experiences, on average, an 18% discount on non-covered services, which equates to an average discount of \$37 per dentist, per month.

We have also heard testimony from dentists who claim that they are financially unable to perform specific procedures such as crowns and implants because of the reimbursement provided when these services are non-covered. As you think about the following data, please keep in mind that the Delta Dental maximum allowable fee for a covered service is the same as the maximum allowable fee for a non-covered service.

- Crowns make up 1.5% of all Delta Dental claim submissions in Ohio. 1% of Delta Dental contracts in Ohio do not cover crowns.
- Implants make up .2% of all claim submissions in Ohio. 5% of Delta Dental contracts in Ohio do not cover implants.

Contrast the above with exams and cleanings, which comprise 44% of all Delta Dental claims submissions in Ohio and are covered by all contracts in Ohio.

Considering how infrequently crowns and implants are submitted, and the fact that the maximum allowable fees for both procedures are the same whether the procedures are covered or not covered by a group, it is hard to understand why the dentists believe they cannot perform these procedures when they are non-covered.

We also heard questions about the impact of legislation that has been enacted in other states that prohibits dental non-covered services policies. Delta Dental of Ohio is directly affiliated with Delta Dental of Michigan and Delta Dental of Indiana. Up until recently, all three of these states had yet to enact dental non-covered services legislation. Indiana recently enacted the legislation, so we compiled data from nine months prior to the legislation's effective date (July 1, 2022) and nine months following. We found the following:

- In the nine months prior to the Indiana legislation's effective date, Delta Dental of Indiana's enrollees received, on average, \$41 in savings due to the dental non-covered services policy.
- In the nine months following the legislation's effective date, dental non-covered services policies were prohibited, so enrollees saved nothing.

This is a real-world example of how legislation similar to SB 115 directly impacts the out-of-pocket costs of dental insurance enrollees.

Please consider whether the dentists have demonstrated that there is a real issue here that needs to be addressed by the General Assembly or whether dental non-covered services policies are an appropriate and reasonable cost protection for enrollees. We believe the data we have provided demonstrates that dental non-covered services policies provide important cost protections for dental plan enrollees; value to the employers, union groups, retiree groups, and individuals that purchase dental plans; and fair maximum allowable fees for dentists.

If passed, SB 115 will result in higher costs for dental care for Ohioans. We respectfully request that you oppose SB 115.

Thank you for this opportunity to express Delta Dental of Ohio's opposition to SB 115.