HEALTH BENEFITS INSTITUTE

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February 28, 2020

Representative George J. Keiser
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RE: Patient Dental Care Bill of Rights

Dear Rep. Keiser

Thank you for the opportunity to provide comments on the proposed Patient Dental Care Bill of Rights. The Health Benefits Institute has serious concerns with much of the proposed model law. Our concern is not centered in the relatively small section that protects patients, but rather the majority of the proposal which limits the ability of insurers to contract with dental providers. Many of these proposals have been recycled from unworkable legislation proposed by other medical providers in the states.

The Health Benefits Institute is a group of agents, brokers, insurers, employers, benefit platforms and others seeking to protect the ability of consumers to make their own health care financing choices. We support policies that expand consumer choice and control, promote industry standards, educate consumers on their options and foster high quality health outcomes through transparency in health care prices, quality, and the financing mechanisms used to pay for care.

Section I. Responsible Leasing Requirements when Leasing Networks

This section is problematic. Networks are leased for a variety of reasons. In some cases, the third party does not have its own network, and the leased network provides a network allowing the third party to sell insurance in the region. In other cases, the network is leased to provide broader access to consumers. In dental networks, the network may be leased by a medical insurer that is required to offer pediatric dental coverage to meet ACA requirements. Finally, networks are leased to through the third party administrator to employers providing self-funded coverage.

This section also makes it impossible to rely on any rented network. Network providers can no longer rent their network, but rather would rent one of thousands of mini-networks depending on the whims of the particular dental provider. Record keeping for all parties becomes practically impossible – for example a dental provider may accept xyz network, but not if the network is used by John's Widget or by ABC insurance company. It is nothing but confusing.

The creation of thousands of mini-networks is anti-consumer. It adds to consumer confusion. Consumers and employers rely on networks to purchase coverage and insurers are required to post the network in a searchable database. This proposal would require that each contract requires a separate contract making it impossible to understand. The sheer administrative difficulty is impossible to overstate.

As a former regulator, we expected that an insurer may be required to use a rented network to meet adequacy requirements in an area. Indeed, in many cases new entrants began sales with rented networks. Under this proposed regime, regulators may find it impossible to discern whether or not a network is sufficient at any given time.

We understand the concerns of dental providers. We would suggest the following standards as an alternative:

1. Any network agreement must disclose whether or not the network can be rented to a third party that is not a self-funded employer.
2. The provider must affirmatively agree to allow the contract to be rented. The insurer may withdraw the contract offer if the term is rejected, but must do so in writing.
3. The network agrees that the same contractual terms must apply to anyone renting the network and that the network will seek to enforce those terms.
4. There can be no subsequent re-rental of the network by the third party except that the rental may allow rental to a self-funded employer arrangement.
5. The network will keep record of all network rental agreements, provide the list to the provider at any time upon request, and annually provide a notice to the provider. These terms may be met by providing access to website that is updated regularly.

C. Prior Authorizations/Claim Payments Act

The language in this section, and in each requirement needs to be clear that these terms only apply to approved prior authorization requests.

F. Transparency of Patient Premiums Invested in Dental Care Act

This section has a number of problems. First, a dental version of the medical loss ratio is unnecessary. This provides little value to consumers especially when the dental insurance market is so competitive. It is also an adage that lower cost products generally have lower loss ratios – administrative expenses on dental are similar to medical but premiums are much lower. Equally problematic is having insurance departments collect information that they are not statutorily required to use or publish is not a good use of government resources.

Second, using the Affordable Care Act's MLR structure is overly burdensome and creates compliance issues. The ACA's requirements are specific and shouldn't be applied outside the ACA. If the information is required, insurance departments should create their own rules, and it should be based on the lifetime loss ratio of the product rather than the three year rolling average.

Thank you again for providing an opportunity to comment on NCOIL Patient Dental Care Bill of Rights. Please do not hesitate to contact me if you have further questions at jpwieske@thehealthbenefitsinstitute.org or (920) 784-4486.

Sincerely

JP Wieske
Executive Director