

Electronic Delivery of Insurance Documents

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Background

- Advancements in technology make it much more efficient to deliver insurance documents electronically. Advantages include:
 - Information is delivered promptly and securely.
 - It reduces mailing costs which decrease the administrative impact on premiums.
 - It reduces impact to our environment.
- Many states have signed laws that allow electronic delivery ONLY if the recipient has affirmatively consented (opt-in).
- The pandemic has accelerated adoption of e-comms and computer literacy more generally. Several states are using this to promote the adoption of an opt-out rather than an opt-in approach.

Opt-out Examples

- In 2018, Kansas signed into law SB 348
 - Permits the use of electronic delivery of insurance related documents and gives recipients right to opt-out at any time.
 - Sponsored by Blue Cross/Blue Shield, supported by Delta of Kansas, AHIP and Kansas DOI.
- In 2019, LA signed into law SB 64
 - Allows an employer policyholder of a group plan to consent on behalf of it's covered employees.
- In 2020, WY signed into law SB 23
 - Permits the use of electronic deliver of insurance documents that do not contain PII and gives recipient right to opt-out at any time; expanded from just P&C to include health.

Success in Texas

- In 2021, SB 2124 was enacted
 - Introduced by Representative Eddie Lucio, Chair of the House Insurance Committee
 - Allows group benefit manager to opt-in all employees and dependents to paperless as a default.
 - Attestation process confirms:
 - Employees have access to email
 - Routinely use electronic communications
 - Opt-out is available to all enrollees at any time.
 - Enhances consumer choice and increases delivery speed & safety.

Advantages of E-Delivery

- There are many advantages to delivery of insurance documents electronically, including:
 - Information is delivered promptly and securely.
 - It reduces mailing costs which decrease the administrative impact on premiums.
 - It reduces impact to our environment.
 - It assures portability of consumers does not disrupt delivery.
 - It works better during emergency displacement/pandemic.
- Many health consumers who prefer paperless communications simply fail to respond under opt-in rules. Opt-in is often lost “in the fine print.”
- With solid “opt-out” instructions consumers will default to electronic and have an easy path to paper if they choose.

Average Cost Savings

Document Type	Quantity/Year	Cost
EOC (Welcome Kit)	1	\$1.75
EOB (routine cleanings)	8 (2x/family member)	\$4.00 (\$.50 per EOB)
Pre-treatment estimate	2	\$1.00
EOB (for non-routine care)	2	\$1.00
Dependent Max Age Notice	1	\$.50
Annual Renewal Notice	1	\$1.50
TOTAL		\$9.75

**This table represents an estimate of what an average family of four might require in terms of the delivery of paper notices in any given year. Costs may vary depending on a variety of factors.*

Exclusions

- Our Texas legislation, and any similar legislation, would not impact the following:
 - Medicaid enrollees
 - Medicare enrollees
 - Individualized plans
 - Individual dental

Language to Get It Done

- A simple redline of the current NCOIL E-Communications Model Act in Sections 1 (Definitions) and 4 (Delivery) can effectively achieve the same outcome as in those states embracing the opt-out approach.

D. The plan sponsor of a health benefit plan, including a dental or vision plan may, on behalf of a party enrolled in the plan, provide the consent to the mailing of all communications related to the plan by electronic means otherwise required by paragraph (1) of subsection (C) of Section 4. Before consenting on behalf of a party, a plan sponsor must confirm that the party routinely uses electronic communications during the normal course of employment. Before providing delivery by electronic means, the insurer for the health benefit plan must:

(1) Provide the party an opportunity to opt out of delivery by electronic means; and

(2) Document that the applicable provisions of the conditions under [insert citation from state UETA or similar law] are satisfied.

Questions?

