



October 29, 2025

VIA ELECTRONIC MAIL

Representative Michael “Sarge” Pollock, Chair
Senator Justin Boyd, Vice-Chair
Health Insurance and Long-Term Care Issues Committee
National Council of Insurance Legislators

RE: Transparency in Dental Benefits Contracting Model Act - Preserving and Improving the Current Model

Dear Chairman Pollock and Vice-Chairman Boyd,

We appreciate this additional opportunity to register our support for the current Transparency in Dental Benefits Contracting Model Act (“Model”) and to propose amendments to further strengthen and clarify the existing framework.

The current Model represents strong policy as evidenced by high state adoption and should not be rewritten during the re-adoption process.

At the outset, we want to emphasize the broader context in which the Committee is discussing this Model; specifically, it is considering re-adoption of a *successful* Model law. The Model – fundamentally based on an opt-out approach to both network leasing and virtual credit cards – was adopted in 2020 after extensive deliberation and careful compromise between stakeholder groups, and states have clearly affirmed this approach through high rates of adoption. Since deliberations on this Model began, states have continued to adopt its provisions. In that time, an additional three states have adopted the network leasing provisions, and four more have adopted the virtual credit card provisions. This brings the total to:

- 18 states have adopted the Model’s network leasing provisions.
- 15 states have adopted the virtual credit card (VCC) provisions.

These adoption rates underscore that the current Model represents sound, consensus-driven policy.

NCOIL’s model re-adoption process is in place to ensure that model laws remain relevant. It provides regular opportunities to clarify ongoing areas of confusion within existing models and, when necessary, to respond to major policy shifts in the states. Here, we are not seeing widespread deviation from this Model in the states. As noted above, we are seeing the opposite – widespread adoption.

The American Dental Association's (ADA) proposed amendments do not refine the existing Model. Instead, they propose a wholesale rewrite of the Model's fundamental policies and operational framework by shifting from an opt-out to an opt-in approach for both network leasing and VCCs.

We appreciate the importance of collaboration and compromise, and we are actively working on solutions to address the ADA's stated concerns, but there simply is no middle ground between opt-out and opt-in. Below, we provide additional detail on our proposed compromise amendments to address the concerns presented by the ADA while still maintaining the base opt-out structure of the Model. We believe there are opportunities to clarify and strengthen the current Model without upending it entirely.

Network leasing amendment proposals

We understand from the ADA's comments and conversations with NCOIL members that providers have a range of perspectives on the overall benefits and pros/cons of networks. We appreciate, therefore, that some providers choose not to join networks at all. Others, however, do join because they see value through an expanded patient base, payment predictability, and other operational conveniences. Notably, the existing Model does not infringe at all on providers' choice to join or not join a network in the first instance.

Not all dental plans lease their networks. But for those that do, the **current Model** contains important parameters and safeguards for network leasing practices. Those safeguards include, among others:

- Mandatory opportunity for providers to say "no" to a network lease contract (i.e., providers can choose to stick with their original network contract and not expand their in-network relationships, discounted rates, etc., to additional third parties);
- Prohibition on plans penalizing providers who opt out of lease arrangements (e.g., plans cannot cancel their original contracts with providers who do not want to participate in a lease arrangement);
- Explicit notice in the original network contract of even the possibility of future network leasing arrangements, including explanation of what a network lease means in practical terms for the provider and describing the provider's right to opt out of leases; and
- Thirty (30) days' advance notice to providers before a new network lease takes effect (to provide ample opportunity for providers to exercise their opt-out choice).

Despite these existing safeguards, we have heard concern expressed by the ADA about providers still lacking the ability to control their network relationships. One concern appears to be related to the volume of network leasing activity. But we have not heard any evidence that providers are receiving an overwhelming number of network lease opt-out notices. Instead, anecdotally, we have heard from members that only a few opt-out notices (e.g., one to three) were sent over a period of one to four years.

Relatedly, the ADA has suggested that networks are built/leased haphazardly. But our members report that networks are initially constructed and expanded for a variety of **pro-consumer** reasons, e.g., to --

- Serve more consumers with accessible, affordable care.
- Meet regulatory requirements, including network adequacy.
- Support smaller insurance companies in competing with larger carriers, thereby promoting market competition, consumer choice, and cost stability.

With this background in mind, we propose two amendments to the network leasing section of the Model to strengthen the existing structure:

Amendment 1: We would add a definition of “affiliate” to clarify the precise scope of entities that do and do not have to comply with the Model’s network leasing requirements (the Model exempts from these requirements entities that are affiliated with the original network contracting entity). There may be some confusion under the current Model’s “same brand” language because not all affiliates use the same branding. Our amendment would replace the current text with a clearer “common control” standard and retain the requirement that affiliates be publicly disclosed on the contracting entity’s website.

Amendment 2: We propose requiring *an additional* notice to providers when a new network lease has been executed (subsequent to the 30-day advance notice already required). This will help ensure that providers have another meaningful chance to exercise their opt-out rights, in case they miss the initial notice. This gives them a second prompt to evaluate the benefits of the network lease arrangement and the network overall.

Payment method amendment proposals

Similar to networks and network leasing, providers have different views and needs when it comes to payment options. For instance, VCCs provide important security-and convenience-related benefits for small offices that may still rely on paper records. Unlike larger providers who have access to sophisticated electronic records systems that seamlessly process ACH payments, paper-based operators have an easier time processing and reconciling VCC payments, which offer a fast, secure payment choice utilizing an existing credit card terminal. We therefore urge the Committee to avoid making it harder for providers to access the VCC payment method if it is the best option for them.

Also similar to network leasing, the existing Model has protections in place around VCCs and payment options for providers. Specifically:

- Dental plans and/or their contracted vendors must offer some choice in payment method; specifically, they may **not** make credit cards (virtual or otherwise) – which typically carry fees – the only available payment method; and
- If plans or their vendors are using VCCs or other electronic fund payment methods, they must notify providers of any fees associated with the payment method and advise on how the provider can select an alternative payment method.

Ultimately, today, providers have a meaningful choice to opt out of VCC payments and choose other payment methods. But again, we do see opportunities to strengthen the current Model and propose the following amendments to the payment section:

Amendment 3 (aligned with the ADA's proposed amendments): We agree with the ADA that the Model should have more flexibility to account for new/future payment methods (i.e., beyond credit cards) that may carry fees. So, we support the proposal to expand the Model's current prohibition against offering only credit cards to only offering credit cards **or any other form of payment method that requires fees or similar charges** (in other words, plans and their vendors must offer some fee-free payment option). We also propose additional wording to align the Model with federal law on ACH payment protections so there is no conflict with those existing safeguards.

Amendment 4 (Aligned with the ADA's proposed amendments): We agree with the ADA that once a provider makes a choice about payment type, it should not change until they actively choose another one or a new contract is executed. We therefore support amending the Model to clarify that a provider's payment choice "sticks" unless/until a different choice is affirmatively made.

With our amendments, providers would retain meaningful control over their network relationships and payment methods via opt-out rights for network leasing arrangements and virtual credit cards.

We continue to explore compromise solutions to address provider pain points within the existing Model framework. We welcome other suggestions we can take back to our members.

As the Committee moves forward with its work, we urge all stakeholders to consider the demonstrable success of the current Model with its opt-out framework and the lack of compelling evidence to justify a radical shift in policy. The better path forward is targeted refinement, not structural overhaul.

Thank you for your consideration of our positions. We welcome the opportunity to discuss these proposals further and work together toward an even stronger, more balanced, and effective Model.

Sincerely,

A handwritten signature in black ink, appearing to read "Bianca", written in a cursive style.

Bianca Balale
Director of Government Relations
National Association of Dental Plans (NADP)

Emily O'Brien

Emily O'Brien
Vice President, Public Policy
Delta Dental Plans Association

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Jill Rickard
Regional Vice President, State Relations
The American Council of Life Insurers (ACLI)

A handwritten signature in black ink, appearing to read 'Miranda Motter' with a stylized flourish at the end.

Miranda Motter
Senior Vice President, State Affairs and Policy
America's Health Insurance Plans (AHIP)