



June 24, 2025

VIA ELECTRONIC MAIL

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

RE: Transparency in Dental Benefits Contracting Model Act

Dear Chair Pollock and Vice-Chair Boyd,

On behalf of the National Association of Dental Plans (“NADP”),ⁱ the American Council of Life Insurers (“ACLI”),ⁱⁱ the Delta Dental Plans Association (“Delta Dental”),ⁱⁱⁱ and America’s Health Insurance Plans (“AHIP”)^{iv} we are writing to provide comments on the proposed amendments to the Transparency in Dental Benefits Contracting Model Act (the “Model”).

Dental insurance provides critical access to preventive care and treatments, promoting better oral health while reducing overall healthcare costs. Affordability and accessibility of dental coverage have a significant impact on oral health outcomes. If they cannot access the low-cost, preventive care incentivized by dental coverage, individuals may forgo coverage and as a result see worse oral health outcomes. Individuals with dental coverage visit and take their children to the dentist more often and are more likely to receive the care they need when compared to individuals without coverage. By providing essential access to preventive care, dental insurance ensures healthier communities while helping to manage and reduce broader healthcare expenses.

We appreciate the willingness of the American Dental Association (“ADA”) and the amendment sponsors to focus this re-adoption process on the Model’s existing sections/contents by withdrawing the proposed additional sections on assignment of benefits and post-payment recovery. Our comments below focus on the remaining amendment proposals related to network leasing and payment options.

As a critical framing point for our feedback, we do not fully understand the concerns and/or problems that the proposed amendments are intended to address. Without clear policy rationales for the proposed amendments, it is difficult to formulate responsive positions or develop potential alternative solutions. With that said, for reasons detailed below, we encourage NCOIL members to:

1. Retain the current Model's opt-out framework for network leasing and payment options as the proper balance between transparency and choice for providers and overall efficiencies and benefits for consumers.
2. Retain the Model's electronic notification options to avoid imposing unnecessary costs and administrative burdens on various stakeholders throughout the dental care ecosystem.
3. Retain the affiliate exemption for network leasing to minimize unnecessary complexity and cost for networks and plans.
4. Retain the current Model's opt-out framework for electronic fund transfer and virtual credit card payment options. Remove the reference to any possible payment option that contains fees, as it is impossible to determine all fees from all vendors. Continue to allow provider notifications to come from vendors and health maintenance organizations.

Network Leasing

It would be a substantial policy and operational change to transition from the opt-out structure in the current Model to an opt-in framework for network lease agreements and such a change would significantly disrupt existing network leasing practices, harming consumers. The opt-out framework, as it exists in the current Model, was heavily discussed during the first Model adoption process and strikes the right balance between transparency and provider choice and preserves the value and workability of networks. We are not aware of any compelling evidence to change the approach now.

Networks are a vital component of the dental care system, ensuring quality, accessibility, and affordability of services for patients. These networks are specialized, proprietary frameworks designed to deliver significant benefits to consumers, including cost savings, expanded access to care, and quality assurance. Providers choose to join these networks because they offer benefits that help them better serve a higher volume of patients. Today, specialized companies build networks and lease them to third parties, such as dental plans, a transparent practice that providers are aware of when they join a network. When a new network lease is effectuated, providers receive advance notice about the specific leasing arrangement.

This transparent notification process allows providers the flexibility to opt out if they do not wish to participate in the leased network. This opt-out approach was arrived at by NCOIL to promote network stability, control consumer costs, and provide ease of administration that benefits consumers, while giving providers the chance to control their network participation. Importantly, NADP and ACLI members report that *fewer than 3%* of providers currently choose to opt out under the existing model, suggesting that the current opt-out framework works well and accommodates provider preferences effectively.

Opt-in requirements, however, could:

- **Leave consumers vulnerable to surprise billing** – When providers are not automatically included in leased networks, patients may unknowingly receive care from out-of-network providers, resulting in unexpected out-of-pocket expenses.

- **Create delays for provider reimbursement** – Providers who are required to opt in to specific lease arrangements may face administrative challenges that slow the reimbursement process.
- **Increase workload at provider offices when verifying reimbursement and leasing agreements** – An opt-in approach would demand increased verification processes to confirm network participation and reimbursement terms. This increases administrative tasks for provider offices, creating inefficiencies in the overall system and diverting attention away from patient care.
- **Reduce the total number of in-network dentists** – Requiring providers to opt in to the network may reduce the number of providers in-network, limiting consumer choice and decreasing access to affordable care.
- **Increase plan administration costs** – An opt-in approach would add a layer of complexity to network management, requiring plans to contact providers, track and manage providers’ responses, verify network participation, and ensure accurate payments. This could potentially lead to higher costs ultimately covered by consumers.

The proposed amendments also would remove electronic notifications as a means for a provider to exercise their network choice, a move that appears counterproductive in today’s era of electronic medical records and digital communication and would further increase plan administration costs.

As of June 2025, fifteen states have adopted the NCOIL Model’s opt-out approach to network leasing. The Model, as well as multiple state laws, already include robust provisions ensuring transparency in network leasing changes and an opt-out option for providers. The Model, for example, requires the contracting entity to notify a network provider that a new third party is leasing or purchasing the network at least 30 days in advance of the relationship taking effect. It also requires the contracting entity to identify all third parties in a list on its internet website that is updated at least every 90 days. These transparency provisions are important safeguards and ensure that providers are fully informed about network leasing arrangements and changes, empowering providers to make educated decisions about whether to opt out of a network. The combination of transparency and choice helps maintain stable, well-functioning networks that benefit both providers and consumers. For these reasons, we encourage NCOIL to retain the current Model provisions and the opt-out framework.

To the extent amendment proponents are concerned about the opt-out *process* – and not the entire opt-out framework – we would welcome the opportunity to work with the ADA on proposed solutions that address those concerns without undoing the proven opt-out structure. With more information about the pain points that providers are experiencing; we could explore solutions that would clarify contracting language or potentially standardize elements of the opt-out process across networks. We look forward to learning more from the ADA and other stakeholders about the specific issues they are aiming to resolve with the proposed amendments so we can work together to develop and propose practical and effective solutions.

Finally, the amendments propose to remove affiliates of contracting entities from the Model's network leasing provision exemptions. It is again unclear what problem the amendment proponents are trying to solve with this change. The current Model requires transparency regarding the affiliates that are eligible for the exemption (i.e., listing of affiliates on the contracting entity's website), so providers are aware of which entities may access the network – based on their affiliate status – without going through a network leasing arrangement. This proposed amendment would disrupt current practices and, like the opt-in approach discussed above, add unnecessary complexity and burdens to the system.

For these reasons, we urge the Committee to:

1. Retain the current Model's opt-out framework for network leasing and for payment options as the proper balance between transparency and choice for providers, and overall efficiencies and benefits for consumers.
2. Retain the Model's electronic notification options to avoid imposing unnecessary costs and administrative burdens on various stakeholders throughout the dental care ecosystem.
3. Retain the affiliate exemption for network leasing to minimize unnecessary complexity and cost for networks and plans.

Electronic Fund Transfer & Virtual Credit Cards

Similar to the network leasing issue above, the amendments would shift payment choices to an opt-in model from the current Model's current opt-out framework. The proposed amendments would require a company to receive "express acceptance" from the provider in order to change the method of payment to either a virtual credit card or electronic funds transfer. The amendments require this "acceptance" to be done in writing, which would add an additional step and cost for both the company and the provider. An opt-in methodology would significantly slow down the payment process, which would be harmful to providers.

Switching to an opt-in process for payment by electronic fund transfer or virtual credits cards is a wholesale shift in operational procedure that is completely different from what was contemplated to when the model was initially adopted. This requirement exceeds what could reasonably be considered a clarifying or technical amendment, and fundamentally changes the model structure.

An opt-in approach would be especially hard to operationalize because plans differ as to when the payment choice is presented, e.g., at the time of initial contracting, contract renewal, or other time, including for some, on a transaction-by-transaction basis. Additional problems may arise, for example, if a provider doesn't make an opt-in payment selection. The amendments would provide no direction as to how to remit payment if no selection is "expressly" made. We generally agree with the amendments' clarification that a provider's payment choice should "stick" until it is affirmatively changed by the provider, but we think that can be accomplished more efficiently within the current opt-out framework.

While we agree that providers should have payment options that provide flexibility in accompanying fee structures, it is unreasonable to assume that dental plans have knowledge of or control over all fees associated with all payment methods. A provider's own bank or payment processing vendor may charge fees of which the benefit plan would have no knowledge, thus

creating an impossible compliance situation. Relatedly, the amendments also would place the burden of notifications regarding payment options and instructions directly onto the benefit plan and remove the option for these obligations to be fulfilled by a plan's contracted vendor or a health maintenance organization. This change seems counterintuitive, as the vendors often are the ones who handle the payment process and have direct contact with the provider regarding payment issues.

The current Model provides flexibility and transparency regarding payment options. The Model, for instance, already requires dental plans to have reimbursement options for providers that are not limited to credit cards. Additionally, the Model requires transparency to providers when payment methodology is changed to either electronic fund transfer or virtual credit cards. The provider must be notified of the change and given instructions on how to select an alternative payment method. Virtual credit cards allow providers to obtain reimbursement for services quickly, securely, and efficiently using existing credit card terminals.

As with the network leasing provisions, we urge the Committee to:

1. Preserve the opt-out framework for payment choice.
2. Remove the reference to any possible payment option that contains fees.
3. Continue to allow provider notifications to come from vendors and health maintenance organizations.

We appreciate your work on this important issue and your consideration of our comments.

Respectfully submitted,



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ⁱ 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.

ⁱⁱ The American Council of Life Insurers is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 275 member companies represent 93 percent of industry assets in the United States.

ⁱⁱⁱ Delta Dental is the nation's leading provider of dental benefits. Since 1954, Delta Dental has worked to improve oral health in the U.S. by emphasizing preventive care, and making quality, cost-effective dental benefits affordable to a wide variety of large and small employers and groups. A nationwide system of dental health service plans, Delta Dental offers custom programs and reporting systems that provide employees with quality, cost-effective dental benefit programs and services. Our nationwide network of 39 companies offers dental coverage in all 50 states, Washington, D.C., Puerto Rico, and other U.S. territories.

^{iv} AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and to help create a space where coverage is more affordable and accessible for everyone.