HEALTH BENEFITS INSTITUTE

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October 22, 2025

Chair Michael "Sarge" Pollock

Vice-Chair Justin Boyd

Health Insurance and Long-Term Care Issues Committee

National Council of Insurance Legislators

RE: **Opposition to Proposed Amendments to the Transparency in Dental Benefits Contracting Model Act**

Dear Chair Pollock and Vice-Chair Boyd:

Thank you for the opportunity to comment on the proposed amendments to the Transparency in Dental Benefits Contracting Model Act under NCOIL's 2025 model law sunset review. We strongly support readoption of the model with **no changes**. The existing model struck the right balance between consumer protection and providing fair contracting rules when dentists and insurers contract. However, we understand the concerns the dentists have raised and, in the spirit of compromise, **we also support the proposed NADP/ACLI/AHIP/Delta amendments** to the model as a fair middle ground.

The Health Benefits Institute supports NCOIL's mission to promote fair, competitive, and consumer-focused insurance regulation. The changes proposed by American Dental Association to the Transparency in Dental Benefits Contracting Model Act miss this goal and should not be adopted. As detailed below, the proposal is not a readoption but rather a thorough rewriting of the contract rules that will harm and confuse consumers and leave the dental insurance market in chaos.

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.

1. The Proposed Amendments Exceed the Proper Scope of a Sunset Review.

The NCOIL sunset process exists to ensure that model acts remain relevant—not to entirely reconstruct them. The ADA's proposal would replace the current opt-out process

for network leasing and payment elections with a new opt-in standard. That represents a fundamental policy shift rather than a technical revision. Such wholesale change belongs in a full model development process, not a limited readoption proceeding. Indeed, a very similar proposal was rejected when the model was originally adopted because the proposal is unworkable. Passage of the ADA amendments means there is no sanctity in the model process, and we should expect every interest group to take note that NCOIL will now allow you to re-litigate issues ad nauseum.

2. The Leasing Proposal Would Upend Dental Contracting and Undermine Market Competition.

The current opt-out framework enables carriers and network partners to maintain broad, cost-effective networks that efficiently serve patients. Shifting to an opt-in requirement would fragment those networks, increase administrative costs, and make it harder for carriers to sustain coverage—particularly in smaller or rural markets. The existing model, developed after extensive stakeholder input, strikes a practical balance between transparency and operational feasibility. The proposed changes would disrupt that balance and undermine competitive stability.

Market-dominant insurers offering fully insured products would face higher administrative costs, but dentists would still be compelled to contract with them. Smaller insurers—who often rely on supplemental networks to ensure adequacy—could be effectively shut out of certain markets. As a result, consumers would face fewer choices and narrower provider networks.

For employers offering self-funded dental plans, employees would face significant uncertainty about which providers are available, with little visibility into any network list before the plan is issued. That uncertainty would likely drive self-funded plans either toward fully insured products or away from dental coverage altogether, given the added administrative burden.

3. Consumers Will Face Higher Costs and Reduced Access to Care.

As a former insurance regulator, I can attest that adoption of this proposal would significantly increase both consumer confusion and regulatory workload. The ADA's proposed opt-in framework would dismantle the predictability that consumers and regulators rely on to understand network participation. Dentists could appear as part of a network yet decline to accept specific employers or plans within that same network—an arrangement that would generate consumer frustration, complaints, and a heavy enforcement burden for departments of insurance tasked with resolving access and network adequacy disputes.

Moreover, the opt-in structure would undermine the very foundation of affordable dental coverage. Dental networks depend on broad participation to keep premiums stable and care accessible. If providers must affirmatively opt into each leased network, many will

simply fall out by default, shrinking networks and driving up costs. Patients—especially in rural and underserved areas—would face fewer in-network options, longer wait times, and higher out-of-pocket expenses. Smaller carriers and employer-based plans would struggle to maintain viable networks, eroding both competition and consumer choice.

5. Written-Only Requirements Would Create Administrative Chaos and Regress the Market

The ADA's proposal to require written, paper-based consent for all network leasing and payment elections is both outdated and administratively unworkable. At a time when most industries—including health care—have successfully transitioned to electronic communications for efficiency, accuracy, and security, this mandate would drag dental benefits contracting backward.

Carriers manage thousands—often tens of thousands—of provider agreements across multiple states and product lines. Requiring individualized, written agreements for every leased network or payment election would create an endless cycle of manual mailing, filing, and verification. Dentists already burdened by paperwork would face even greater administrative load, having to track physical notices, return signatures, and maintain records. Regulators, too, would be forced to process stacks of paper that could otherwise be managed electronically with standardized, auditable systems.

The irony is that written-only processes would *reduce transparency and compliance* rather than strengthen them. Paper is easily lost, delayed, or misinterpreted, while electronic systems provide timestamps, audit trails, and real-time accuracy. Inevitably, this system would generate frequent data discrepancies between provider offices and plan systems, leaving patients misinformed about whether their dentist is "in-network." The result would be higher consumer complaints, compliance disputes, and regulatory workload.

Moreover, mandating paper-based communication would reverse decades of progress toward digital modernization, driving up costs for carriers, employers, and providers at the very moment regulators are encouraging efficiency and electronic documentation. Taken together, the ADA's approach would not simplify contracting—it would introduce delays, bottlenecks, and administrative confusion across the entire market.

NCOIL should not endorse a policy that undermines digital progress, raises costs, and injects chaos into the system. The existing model strikes the right balance by permitting electronic communications while preserving safeguards for providers, and it should be retained.

6. Opposition to the ADA's Virtual Credit Card Proposal and Support for the NADP Coalition Framework

HBI also opposes the ADA's proposed amendments to the Virtual Credit Card – Claim Payment/Transaction Fees Options Act. The ADA's approach—requiring opt-in consent and extending the rule to any payment method involving a fee—would create an

unworkable system. At best, the language is vague and impractical: insurers cannot reasonably know the fees tied to each dentist's individual banking arrangements.

By mandating an opt-in process, the proposal would force insurers to obtain and track written consents from every participating dentist across thousands of contracts. This would delay reimbursements, raise administrative costs, and potentially conflict with existing state payment laws and prompt-pay requirements.

In contrast, the proposal supported by NADP, ACLI, AHIP, and Delta Dental maintains the current opt-out framework—preserving efficient electronic payments, minimizing administrative disruption, and ensuring that dentists retain flexibility over payment methods. Their model also ensures that a dentist's chosen payment method remains in place. HBI supports this coalition approach as a balanced, practical compromise that protects providers and consumers while maintaining administrative feasibility.

6. The Amendments Would Set a Precedent Encouraging Other Medical Provider Groups to Seek Their Own Special Contracting Laws.

Adopting the ADA's opt-in approach would open the door for other provider groups—such as physicians, hospitals, chiropractors, physical therapists, and behavioral health professionals—to demand their own tailored contracting statutes. Once NCOIL signals that a single provider group may rewrite long-settled contracting rules in its favor, there will be no principled way to deny similar requests from other sectors.

The result would be a patchwork of inconsistent requirements across different states and different medical disciplines, forcing carriers, employers, and regulators to navigate a maze of separate contracting frameworks. A dental opt-in requirement here, a physician-specific notice regime there, and a hospital-driven payment rule elsewhere would create overlapping and contradictory compliance obligations. Carriers managing national or multi-state networks would face escalating administrative complexity. Smaller carriers and self-funded employers—who lack the scale to manage this fragmentation—would be disproportionately harmed, reducing competition and consumer choice.

Ultimately, this precedent would erode predictability for all stakeholders. Regulators would face a heavier burden as they attempt to enforce an array of conflicting standards across health sectors. Employers and insurers would confront higher compliance costs and narrower networks. And most importantly, consumers would bear the consequences through higher premiums, reduced access to providers, and a more confusing health care marketplace.

For these reasons, NCOIL should reject the ADA's proposal not only on its own merits, but also because of the broader precedent it would set across the health care system.

7. The Proposal Would Make Accurate Provider Directories Impossible to Maintain.

Providers have long criticized insurers for the difficulty of keeping provider directories up to date—a concern shared by regulators and consumers alike. The ADA's proposed opt-in framework would ensure that those challenges become insurmountable. If participation in every leased network requires written, affirmative, individualized consent, insurers could not reliably determine or report which providers are "in-network" at any given time. The inevitable outcome would be confusion for patients, regulatory exposure for insurers, and widespread noncompliance with state and federal directory accuracy requirements. The current opt-out structure, by contrast, enables consistent, transparent network listings.

8. If Dentists Cannot Handle Opt-Out, They Cannot Handle Opt-In

The ADA has argued that dentists find the current opt-out structure burdensome, yet paradoxically suggests that an opt-in framework would be preferable. This assertion is logically inconsistent. If providers cannot manage the relatively simple responsibility of reviewing network leasing notices and opting out when they choose, it is unrealistic to assume they could handle the far more complex and administratively demanding requirement of providing affirmative written consent for every individual leased arrangement.

Under an opt-out system, the default is clear: participation continues unless a provider objects. That model ensures efficiency while still allowing dentists the freedom to decline participation when they believe it is not in their interest. The opt-in approach, by contrast, would require proactive action every time a leasing arrangement is proposed. Dentists would need to track, evaluate, and formally respond to each new offer. Given the challenges dentists already face in keeping up with administrative paperwork, the burden would multiply exponentially making it more likely that providers will miss deadlines, lose opportunities, or unintentionally fall out of networks.

In reality, an opt-in model does not simplify contracting for dentists; it magnifies their administrative responsibilities. This shift would create precisely the kind of "paperwork trap" that dentists claim to want to avoid, while destabilizing networks and generating confusion for patients. If dentists cannot reasonably be expected to handle the comparatively streamlined opt-out process, there is no basis for believing that they could successfully manage an opt-in regime.

9. HBI Supports The NADP/ACLI/AHIP/Delta Dental Joint Comments As a Reasonable Compromise.

HBI agrees with and appreciates the thoughtful joint letter submitted by the National Association of Dental Plans (NADP), the American Council of Life Insurers (ACLI), America's Health Insurance Plans (AHIP), and the Delta Dental Plans Association (DDPA), which recommends retaining the current model's opt-out structure and notification provisions. While HBI believes the existing 2020 Model Act remains the best and most balanced policy framework, we recognize the joint letter as a reasonable compromise

within the context of this sunset review. We support that position only to the extent it preserves the current model's operational integrity and avoids adoption of the ADA's proposed "opt-in" structure. Any further expansion or alteration of the Model beyond those boundaries would risk destabilizing the dental benefits market and undermining consumer access.

Conclusion

The 2020 Model Act already delivers meaningful transparency, consumer protection, and provider choice. The ADA's proposed amendments would replace that stability with administrative chaos, reduced access, and higher costs. HBI therefore respectfully urges NCOIL to retain the existing Model Act language and reject the proposed "opt-in" and written-notice amendments in their entirety.

Thank you again for the opportunity to provide public comments. These issues are important. Regulation is a balancing act – a balance between the needs of various consumers and a balance between consumer choice and saving consumers from bad choices. We share the same goal of protecting consumers, but some of the new restrictions in this model will actually harm consumers.

Please do not hesitate to contact me if you have further questions at jpwieske@thehealthbenefitsinstitute.org or (920) 784-4486.

Sincerely

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