



October 28, 2011

Molly Voris  
Project Manager, Health Benefits Exchange Program  
Washington State Health Care Authority  
P.O. Box 42682  
Olympia, WA 98504-2682  
Sent via email

RE: Public Comment on Criteria for Qualified Health Plans

Dear Ms. Voris,

The National Association of Dental Plans (NADP) is writing in response to the Washington State Health Care Authority's (HCA) draft policy paper "Criteria for Qualified Health Plans: An Analysis of Options for Washington State."

NADP is the largest non-profit trade association focused exclusively on the dental benefits industry, i.e. dental PPOs, dental HMOs, discount dental plans and dental indemnity products. NADP's members provide dental benefits to almost 90 percent of the 166 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.

Content of our comments is related to how dental plans should be certified to offer coverage in the Exchange, and taken from our recently released joint Exchange White Paper with the Delta Dental Plans Association, "Offering Dental in Health Exchanges: A Roadmap for State and Federal Policymakers" which is available at [nadp.org](http://nadp.org).

### **Dental in ACA**

Congress recognized the importance of oral health in drafting the Affordable Care Act (ACA) by including "pediatric oral services" as part of the required Essential Health Benefit Package (EHBP). EHBP is to be defined by the Secretary of the U.S. Department of Health and Human Services (HHS) in upcoming regulations as equivalent in scope to a "typical employer plan" i.e. health benefits offered by employers.

### **National Association of Dental Plans**

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To provide consumers access to the same policies and expertise of a typical employer plan available in the commercial marketplace, ACA provides states shall allow the offer of standalone dental policies in Exchanges. Thus, beginning in 2014, all individuals purchasing small group or individual health insurance inside or outside the Exchange must be offered “pediatric oral services” through a medical plan **or** through the purchase of a standalone dental plan. Further, the ACA expressly allows the offering of standalone dental plans – child only and adult policies – in an Exchange. This reflects the current dental market as 98% of consumers access dental coverage through a policy that is separate from their medical coverage.

In order to correctly implement the dental coverage provisions of the ACA as intended, state policymakers should consider how to operate and administer an Exchange in a way that allows the following:

- Parents whose children are covered through existing dental policies to maintain that coverage and the dental professionals they now see.
- Parents of children who currently lack dental coverage, to choose dental policies in Exchanges that meet their children’s needs.
- Supplemental adult and non-essential pediatric benefits can be purchased in order to provide full family coverage.

### **Qualified Dental Plans**

The National Association of Insurance Commissioners (NAIC) developed the American Health Benefit Exchange Model Act which identified criteria for the participation of Qualified Health Plans (QHPs) in an Exchange. It further recognized that plans providing dental-only policies would also need to be qualified and have a definition and requirements for Qualified Dental Plans (QDPs) for state consideration in Exchanges. The Model Act provides that a QDP need not be licensed to offer medical benefits and shall comply with the provisions applicable to a QHP “to the extent relevant.”

### **QDP Criteria**

NADP recommends that the Washington State Health Care Authority (Authority) incorporate the development of criteria for QDPs in its Exchange planning. However, QHP criteria should not be indiscriminately applied to dental plans to be eligible to offer coverage in the Exchanges. The differences in medical and dental coverage must be considered in applying any of the QHP criteria to dental plans. Further, policymakers should weigh the value of the criteria and cost of implementation given the limited scope of the required “pediatric oral services.” It will also be useful for the Authority to compare the criteria to existing state requirements for licensure. Specifically, policymakers should consider how the following QHP criteria might be applicable, appropriate or in need of revision to relate accurately to dental plans:

- **Accreditation:** There is no industry standard or accreditation system for dental plans. States currently utilize their own oversight rules when licensing dental plans, thus accreditation is inapplicable to dental plans.
- **Network Adequacy:** The local nature of networks and uneven geographic distribution of dentists makes a single, national network adequacy standard inappropriate for dental plans. States that develop network adequacy standards for dental plans should apply them only to general dentists and allow the dental plan to specify a target appropriate to their coverage for approval.

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- **Quality and Performance Metrics:** Relevant quality and performance measures for dental coverage are limited and may be difficult to apply to children. If utilization data for children’s services is used as a standard, it should be consistent with Medicaid reporting measures.
- **Marketing Restrictions:** Marketing limitations and disclosure requirements should follow existing state regulatory requirements.
- **Actuarial Metal Levels:** Metal levels, representing specific actuarial values of coverage, should not be applied to separate dental policies covering “pediatric oral services” because these limited scope benefits are only one element of the EHBP.
- **Standard Disclosures:** If standard disclosures are required for the qualification of dental plans, a separate form or requirements appropriate to the limited scope dental product offering should be developed.

NADP greatly appreciates the opportunity to share our views on the dental benefits industry. As additional background, we have attached to this letter, NADP’s Dental State Fact Sheet on Washington which includes specific dental data in your state. Please contact us at your convenience for additional information or with any inquiries. Thank you very much for your attention to this important matter.

Sincerely,



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Director of Government Relations  
National Association of Dental Plans  
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cc: Nelly Kinsella-Gozdek

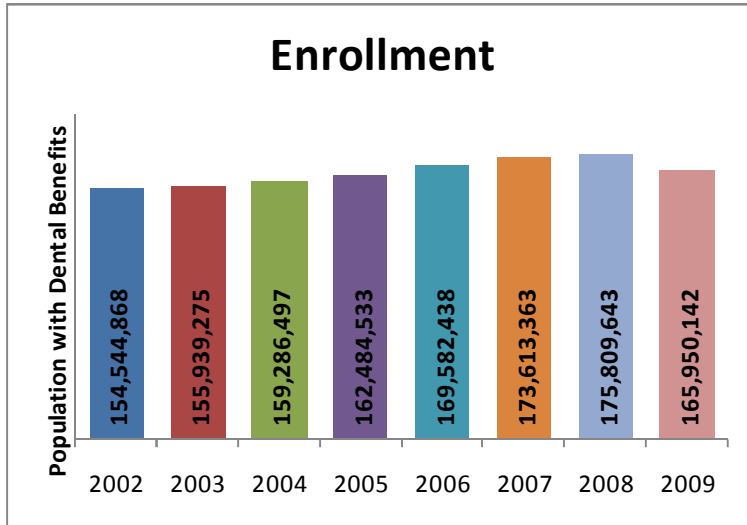
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### National Enrollment Trends and State Enrollment



An estimated 3,486,337 people are enrolled in a private dental plan from Washington

#### Private Plan Enrollment

Plan Type	Enrollment
DHMO	199,391
DPPO	2,599,179
Indemnity	603,145
Other Private	212,461

#### Public Plan Enrollment

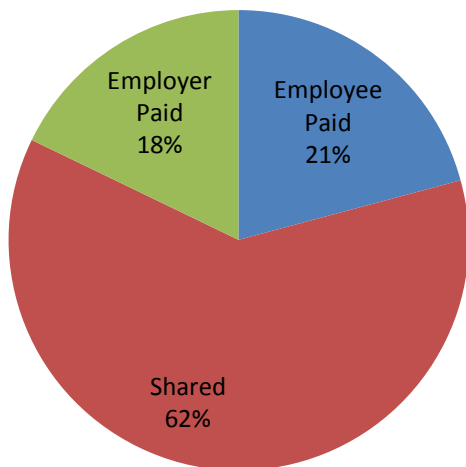
Medicaid/CHIP <sup>1</sup>	12,329
Other Public	285,931

Source: 2010 NADP/DDPA Joint Dental Benefits Report on Enrollment

Source: 2010 NADP/DDPA Joint Dental Benefits Report on Enrollment

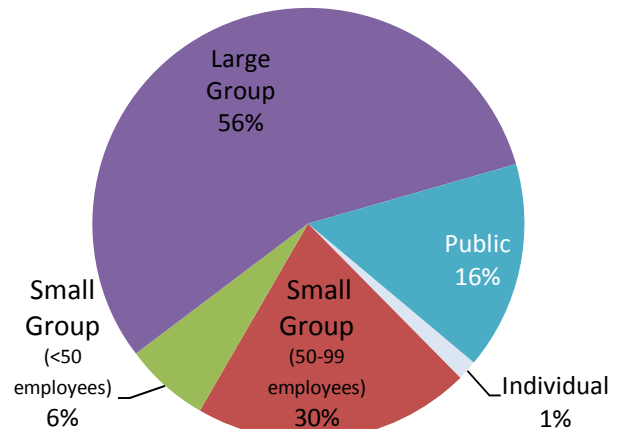
### National Policy Funding and Structure

#### Who Pays for Employer-Based Benefits?



Source: 2010 NADP/DDPA Joint Dental Benefits Report on Enrollment

#### Funding Source for All Dental Benefits



Source: Derived from 2010 NADP/DDPA Joint Dental Benefits Report on Enrollment and Bureau of Labor Statistics

### Additional Facts

- According to the Surgeon General, insurance matters as uninsured children are 2.5 times less likely than insured children to receive dental care<sup>2</sup>
- Nearly all private dental benefits, over 98%, are sold as separate policies from medical insurance
- Premium increases have been comparable with overall inflation during the past 5 years.

<sup>1</sup> Data from the Center for Medicare and Medicaid Services. If 0, then CMS data is not available.

<sup>2</sup> Surgeon General's Report on Oral Health, May 2000

# Washington Dental Benefits Fact Sheet

## Workforce

To be adequately served there should be 3.33 practicing dentists per 10,000 population.<sup>3</sup>

According to the American Dental Association, 4,579 dentists are actively practicing in Washington or 6.87 dentists per 10,000 population.<sup>4</sup>

Network Type	Total Dentists	General Dentists	Pediatric Dentists <sup>5</sup>	Specialists
DHMO	231	198	5	77
DPPO	3,570	3,040	114	530
Discount	1,348	1,328	55	190

## NADP Members

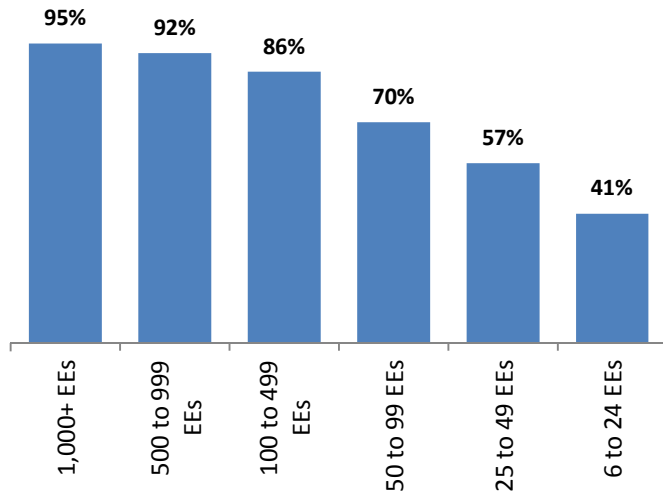
Plan Type	NADP Members Offering Plans
DHMO	8
DPPO	21
Indemnity	18
Discount	15

Source: 2010 NADP/DDPA Joint Dental Benefits Report on Network Statistics

Source: 2010 NADP/DDPA Joint Dental Benefits Report on Network Statistics

## Where do Consumers Get Dental Benefits

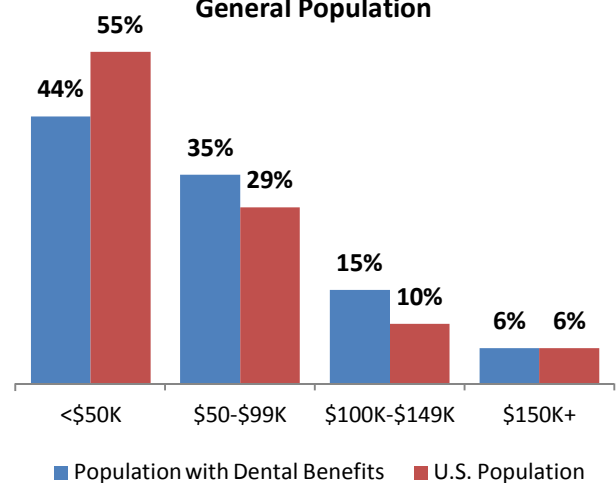
**Employers Offering Dental Benefits by Employer Size**



Source: 2008 NADP Purchaser Behavior Survey

## Who Has Dental Benefits?

**Consumers with Dental Benefits by Household Income compared to General Population**



Source: 2009 NADP Survey of Consumers

## About NADP

The National Association of Dental Plans (NADP), a nonprofit corporation with headquarters in Dallas, Texas, is the “representative and recognized resource of the dental benefits industry.” NADP is the only national trade organization that includes the full spectrum of dental benefits companies operating in the United States. NADP’s members provide Dental HMO, Dental PPO, Dental Indemnity and Discount Dental products to 135 million Americans.

<sup>3</sup> U.S. Department of Health and Human Services

<sup>4</sup> American Dental Association

<sup>5</sup> Pediatric Dentists are included in Specialists