

Principles for Consideration of Dental Benefits Within Rational Healthcare Reform

To understand the Delta Dental Plans Association (DDPA) view regarding dental benefits as part of healthcare reform, we call attention to four fundamental observations that inform our perspective, and the five policy implications that follow from those observations.

Four Observations:

1. Dental is an inseparable part of health and overall wellness. The mouth is part of the body, and dental benefits promote not just dental health but systemic health. Dramatic improvements in oral health over the last five decades are largely attributable to three factors according to the U.S. Surgeon General: community water fluoridation; improving dental hygiene; and the proliferation of affordable dental benefits, which has increased access to both preventive and restorative dental care.
2. Dental is different; 3rd party dental carriers (including stand-alone dental carriers) add value. Dental may be a vital part of good overall health, but it is also different. A quality dental carrier can deliver more appropriate dental services, more cost effectively, with more protection for the consumer than is generally available to those who finance their own care without a third party. Quality dental carriers negotiate lower fee arrangements with dentists and use sophisticated computer and consultant-assisted auditing and review systems evolved over many years to maximize the effectiveness of group and individual plan sponsorship. Stand alone dental plans are often the “best in class” carriers because they can be more focused and heavily invested in this specialized, single line of coverage.
3. Dental coverage creates affordable access for millions of Americans. Improved access to affordable, preventive dental care has been made possible by the growth of employer- and government-sponsored group dental programs. Such programs — including traditional, PPO and HMO dental delivery models — are cost-efficient, consumer-oriented and effectively administered for 164 million Americans. Premiums are stable and predictable.
4. Everyone deserves dental coverage. Not everyone has it. Despite the success of dental benefits in promoting oral health and overall health, nearly half of all Americans still lack dental coverage because their employers choose not to provide it, or because self-employed individuals choose not to purchase it.

Five Policy Implications:

1. Any legislative and/or regulatory approach that adds to the cost of administering or obtaining dental benefits and/or hinders the development of lower cost alternative plan designs will have the unintended effect of reducing the number of Americans with access

to affordable dental coverage, thereby reducing access to affordable dental care and diminishing public oral health.

- a. A critical incentive for encouraging dental coverage over the past 50 years – and which has brought us to our current status of coverage for 164 million Americans – has been the tax deductibility of dental benefits for employers, and the federal tax exemption for employees so that receiving such benefits is not counted as taxable income. Preserving and/or expanding the deductibility of dental benefits for employers and individuals who purchase them is critical.
2. Dental carriers should be encouraged in their efforts to develop and enforce competitive fee arrangements, equitable reimbursement and dental policies, and innovative plan design to ensure necessary and appropriate care in accordance with group contracts and high professional standards.
3. Dental coverage should not be neglected in the debate over how to fix healthcare. More than 90 percent of all systemic disease including diabetes, leukemia, cancer, heart disease, kidney disease and stroke has oral manifestations that are detectable during an oral examination. A growing body of evidence suggests control of caries and periodontitis can improve health outcomes.
4. Dental benefits *should* be included as part of any reform proposal that:
 - a. Strives to increase access to affordable care for those not currently covered;
 - b. Expands or builds upon existing programs that successfully provides dental benefits to their intended market segments;
 - c. Relies on qualified, experienced dental administration (including stand-alone dental carriers) to deliver appropriate, necessary services;
 - d. Does not undermine healthy competition in the dental benefits marketplace;
 - e. Does not reduce employers' and/or individuals' capacity to continue sponsorship of existing dental benefits offered to employees and their family members;
 - f. Does not jeopardize the tax-advantaged status for those who sponsor and/or pay the cost of their own dental coverage; and
 - g. Preserves at least the current portion of healthcare expenditures committed to dental treatment and coverage, even as medical expenditures expand.
5. Reform proposals should not:
 - a. Lead to the erosion of existing, comprehensive dental benefit programs currently prevalent in the group benefits market place;
 - b. Be administered by a single-payer, government-sponsored agency that eliminates the critically important role of third party administration;
 - c. Exclude stand-alone dental carriers from competing with full service health plans when involving government and/or publicly sponsored contracts;
 - d. Erect higher, more costly barriers to the development and offering of cost-effective program administration; or

- e. Reduce the current portion of healthcare expenditures committed to dental treatment and coverage.

Conclusion:

While dental health is integral to overall health, the dental delivery system itself remains vastly different from medical in many key respects. For this reason, we urge regulators, lawmakers and policy makers to turn to a dental specialist like Delta Dental for information, insight and detailed input regarding how any healthcare reform might impact access to affordable dental care. Delta Dental stands ready to be a part of the solution.