



May 25, 2011

The Honorable Justin P. Burr
Vice Chairman, Health and Human Services Committee
North Carolina House of Representatives
300 N. Salisbury Street, Room 538
Raleigh, NC 27603-5925
Sent via email: Justin.Burr@ncleg.net

Dear Representative Burr:

The National Association of Dental Plans (NADP) is the national trade association for the dental benefits industry. Our member companies currently provide dental coverage for more than 3.7 million North Carolina residents. NADP is forwarding comments in opposition to North Carolina House Bill 698 and Senate Bill 655, which would regulate Dentist Management Arrangements (DMA) in such a manner as to virtually eliminate them from your state.

NADP is concerned with the proposed legislation as many of our member plans currently coordinate with DMAs as part of their dental networks in North Carolina, as they do throughout the nation. Our members have found DMAs provide excellent administrative efficiencies by creating access and value for consumers seeking oral health benefits while allowing the dentists working within DMAs to focus on their patients' oral health care.

While dental care is still traditionally offered through single or small dental offices, there has been a growth of dental offices supported by various types of DMAs throughout North Carolina and across the nation. DMAs bring convenient locations, expanded hours, and access to capital for expansion and administrative efficiencies that increase access to care and can lower consumers' overall cost of dental care. DMAs are becoming a popular choice among dentists who do not want to be burdened with administrative and businesses arrangements of owning a small business, but prefer to focus on providing the best patient care. This trend is similar to that experienced in the medical field more than a decade ago.

The proposed legislation, HB 698 and SB 655, changes the "practice of dentistry" definition to include administrative servicing the business side of a dental practice, which changes the provider/DMA contracts in such a manner they become unsustainable. In addition, the proposed legislation disallows normal capital investments DMAs typically make into their dental practices. While the bills do not outright outlaw DMAs, the legislation is structured in a way to invalidate the business model

National Association of Dental Plans

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- By eliminating DMAs, those dentists promoting the legislation would effectively be removing a section of their competition from the marketplace and as a consequence, eliminating an important source of access to oral health care in the state of North Carolina.
- This legislation is unique to North Carolina; the elimination of DMAs has not been discussed or introduced in any other state to our knowledge. DMAs are currently functioning successfully in many states and have increased access to dental care in those areas where they are present.

HB 698 and SB 655 potentially interrupts dental care for more than 145,000 North Carolinians who are patients of impacted dental practices based solely on their contractual arrangements with a DMA. Additionally, there is a severe maldistribution of oral health providers in North Carolina, which results in lower access to dental care, with 78 counties listed as Dental Health Professional Shortage Areas (U.S. Health Resources and Services Administration). North Carolina ranks 39th nationally in dentists per capita, 25 percent below the national average (Kaiser Family Foundation, 2009). The supply of dentists per capita is even lower in rural counties, with four counties having no actively practicing dentists (UNC Center for Health Services Research - 2009).

Allowing as much flexibility for dentists to offer their services through a solo or group practice, or other means such as a DMA supported office, is essential in order to provide North Carolina residents maximum access to quality dental care.

While NADP opposes the termination through inappropriate regulation of DMAs, we also agree there should be sound and prudent policies to assure clinical activities and judgments are reserved for dental professionals. At the same time, DMAs must be guaranteed the ability to fairly and economically offer business and administrative services in North Carolina.

NADP greatly appreciates the opportunity to share our perspective, and happy to answer any questions you may have or provide additional industry information upon request [via email khathaway@nadp.org or phone at (972)458-6998 x111]. Thank you very much for your time and attention on this important matter.

Sincerely,



Kris Hathaway
Director of Government Relations

The National Association of Dental Plans (NADP) is the largest non-profit trade association focused exclusively on the dental benefits industry, i.e. dental HMOs, dental PPOs, discount dental plans, and dental indemnity products. Our members include major commercial carriers, regional and single state companies, as well as companies organized as non-profit plans.

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Last Updated: March 21, 2011

Access Dental/Premier Access

Advantage Dental Plan

Aetna Dental

Altus Dental Ins Co

Delta Dental of RI

American Dental Professional Svcs

American Dental Partners

AmeriPlan Corporation

Ameritas Life Ins Corp.

First Ameritas Life Ins Corp.

Assurant Employee Benefits

Dental Health Alliance, LLC

DentCare, Inc. a Kentucky corporation

DentiCare of Alabama, Inc.

DentiCare of Oklahoma, Inc.

DentiCare, Inc. a Florida corporation

First Fortis Life Ins Co

Fortis Benefits DentalCare of New Jersey Inc

Fortis Benefits DentalCare of WI, Inc.

Fortis Benefits Ins Co

Fortis Dental Benefits

Georgia Dental Plan, Inc.

UDC Life and Health Ins Co

United Dental Care Ins Co

United Dental Care of Arizona, Inc.

United Dental Care of Colorado, Inc.

United Dental Care of Michigan, Inc.

United Dental Care of Missouri, Inc.

United Dental Care of Nebraska

United Dental Care of New Mexico, Inc.

United Dental Care of Ohio, Inc.

United Dental Care of Pennsylvania, Inc.

United Dental Care of Texas, Inc.

United Dental Care of Utah, Inc.

United Dental Ins. Company

Avesis Third Party Admin. Inc.

Avia Dental Plan

Best Life and Health Ins Co

Blue Cross Blue Shield of AZ

Employee's Choice/BC of LA

Blue Cross Blue Shield of MA

Blue Shield of Hawaii

Florida Combined Life Ins Co

USAbLe Life

Blue Cross Blue Shield of MI

Blue Care Network

Blue Care Network of East MI

Blue Cross Blue Shield of NC

ACS Benefit Svcs, Inc.

Blue Cross Blue Shield of TN

Blue Shield of CA

CareFirst BlueCross BlueShield

The Dental Network, Inc.

CAREINGTON INTERNATIONAL

CIGNA Dental & Vision Care

Great West Healthcare

Citizens Security Life Ins Co

Companion Life Ins Co

Coastal Dental

Dedicated Dental / Interdent

Delta Dental of CA, NY, PA & Affiliates

Delta Dental of AK

Delta Dental of AL

Delta Dental of DC

Delta Dental of DE

Delta Dental of GA

Delta Dental of LA

Delta Dental of MD

Delta Dental of MS

Delta Dental of MT

Delta Dental of NV

Delta Dental of TX

Delta Dental of UT

Delta Dental of WV

Denti-Cal

Delta Dental of MI, OH, IN

Delta Care

Renaissance Dental Network

Renaissance Health Inc. Company of NY

Renaissance Life & Health Ins. Company

Delta Dental of MO

Essex Dental & Vision Benefits

DENCAP Dental Plans

Dental Care Plus Group Inc.

Dental Select

DentalPlans.com

DentaQuest

Dental Health Svcs of America

Custom Benefit Advisors
DBA-Preferred Administrators
Dental Health Svcs (an Oregon corp)
Dental Health Svcs, Inc.
Dental Health Svcs, Inc. (Arizona corp)
Dental Management Svcs
Dental Network Svcs
DHS Ins Svcs Inc

Dental Network of America, Inc.

Blue Cross Blue Shield of IL
Blue Cross Blue Shield of NM
Blue Cross Blue Shield of TX
Colorado Bankers Life
Dearborn National
DenteMax, Inc.
Ft. Dearborn Life Ins Co
Health Care Svcs Corp
Medical Life Ins Co

Dominion Dental Svcs, Inc.**EMI Health****EmblemHealth Svcs**

Connecticare
GHI HMO Select
Group Health Inc

First Dental Health**Group Dental Svcs**

Denex Benefits
FG Associates
Group Dental Svcs of MD

GEHA

PPO USA a Division of GEHA

Guardian Life Ins Co of America

Berkshire Life Ins Co of America
First Commonwealth, Inc.
Managed Dental Care

Health Resources, Inc.**HealthPartners, Inc**

Central Minnesota Group Health Inc
Group Health Plan Inc
HealthPartners Administrators, Inc.
Midwest Assurance Company

Horizon Healthcare Dental

Blue Cross Blue Shield of NJ
Rayant Dental Svcs Inc

Humana Specialty Benefits

CompBenefits Corporation
Oral Health Svcs

IHC Health Solutions

American National Life Ins. Company
Fidelity Security Life
GroupLink Relns Co LTD
Guarantee Trust Life
Madison National Life Ins Co
Strategic Health Alliance

Kaiser Permanente Dental Care Program**Kansas City Life Ins Co****Liberty Dental Plan****Lincoln Financial Group****MetLife**

SafeGuard Dental and Vision
SafeGuard Health Plans, Inc
SafeGuardHealth Enterprises

National Guardian Life Ins Co**Nevada Dental Benefits****Nippon Life Ins Co of America****Premera Blue Cross**

Blue Cross of WA and AK
Lifewise Assurance
Lifewise Health Plan of OR
Premera Blue Cross Blue Shield of AK

Principal Financial Group

Diversified Dental Svcs
Employers Dental Svcs, Inc.

Prudential Ins Co of America**Security Life Ins Co of America**

Union Security Life Ins. Company of NY

SelectHealth**Southland National Ins Corporation****Standard Ins Co****Starmount Life Ins Co**

Always Care

Sun Life Financial**Total Dental Administrators****Trustmark Life Ins Co**

CoreSource

United Concordia Companies Inc.

Blue Cross Blue Shield of WV (Mountain St)
Highmark Blue Cross Blue Shield
United Concordia Life & Health

United Healthcare Dental

Dental Benefit Providers, Inc.
Illinois Pacific Dental
MAMSI Life & Health Ins Co
National Pacific Dental
Nevada Pacific Dental
Oxford Health Plans

Pacific Union Dental

PacifiCare Dental & Vision

PacificDental Benefits, Inc.

Solstice Benefits

United Health Care Corporation

WellPoint Dental Svcs

Anthem Blue Cross Blue Shield

Anthem Health & Life Ins Co

Blue Cross Blue Shield of GA

Blue Cross Blue Shield of MO

Blue Cross Blue Shield of WI

Blue Cross of CA

Delta Dental of MN & ND (DeCare)

Golden West Dental & Vision Plan

Unicare Health Ins Co of the Midwest

Unicare Life and Health Ins Co

Western Dental Svcs

Willamette Dental Insurance, Inc

Willamette Dental Management Corporation

Willamette Dental of Idaho, Inc.

Willamette Dental of Washington, Inc.

Willamette Dental Group (Skoutes, Inc.)