



May 25, 2011

The Honorable James Forrester  
Vice Chairman, Health Care Committee  
North Carolina Senate  
16 W. Jones Street, Room 1028  
Raleigh, NC 27601-2808  
Sent via email: James.Forrester@ncleg.net

Dear Senator Forrester:

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**

12700 Park Central Drive • Suite 400 • Dallas, Texas 75251

972.458.6998 • 972.458.2258 [fax]

OFFICERS & DIRECTORS

**Chairman**

BRUCE R. HENTSCHEL,  
CLU, FLMI, HIA, ALHC  
Principal Financial Group  
Des Moines, IA

**Vice Chair**

KAREN M. GUSTIN, LLIF  
Ameritas Life  
Insurance Corp.  
Lincoln, NE

**Secretary**

DOYLE C. WILLIAMS, DDS  
DentaQuest  
Boston, MA

**Treasurer**

BRENT WILLIAMS  
Dental Select  
Salt Lake City, UT

JEFF ALBUM  
Delta Dental of  
CA, NY, PA & Affiliates  
San Francisco, CA

JULIA BAKER  
Ameriplan Corp.  
Plano, TX

FORREST FLINT  
HealthPartners  
Minneapolis, MN

JEANNE HENSEL  
Humana Specialty Benefits  
Insurance Co.  
Green Bay, WI

JIM KNOX  
Citizens Security  
Life Insurance Co.  
Louisville, KY

**Executive Director**  
EVELYN F. IRELAND, CAE  
National Association  
of Dental Plans  
Dallas, TX



- 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 39<sup>th</sup> 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](mailto: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.

National Association of Dental Plans

12700 Park Central Drive • Suite 400 • Dallas, Texas 75251

972.458.6998 • 972.458.2258 [fax]



# NADP MEMBERS & AFFILIATES



*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.)*