



July 23, 2013

Ms. Liz Baxter  
Chair, Cover Oregon Board of Directors

Mr. Howard "Rocky" King  
Executive Director, Cover Oregon

3414 Cherry Ave. N.E. Suite 190  
Salem, OR 97303

Submitted via email to [public.comment@coveroregon.com](mailto:public.comment@coveroregon.com)

RE: Temporary Rule on Annual Administrative Charge on Dental Insurers

Dear Ms. Baxter and Mr. King,

The National Association of Dental Plans (NADP) appreciates the opportunity to provide comments on the temporary rule for an annual administrative charge on stand alone dental insurers published by Cover Oregon.

The proposed rule would assign an administrative charge of \$0.93 per enrollee per month for stand-alone dental plans through the Exchange. NADP believes the charge as proposed could impact the affordability of dental plans on the Exchange and place an inequitable burden on dental plans as they are supported by significantly less premiums than QHPs and are unlikely to experience equivalent growth on the Exchange due to a number of factors.

The temporary rule as drafted would apply a charge to SADPs that is approximately 10 percent of the charge to QHPs. Dental premiums today are about 1/12<sup>th</sup> of medical premiums, and we anticipate pediatric premiums will be an even smaller portion of medical premiums. In light of this, NADP recommends the administrative charge be lowered to maintain parity with the QHP charge and affordability of dental benefits for consumers.

The opportunities to enroll in health plans afforded by the Exchange will undoubtedly increase the number of Oregonians with medical benefits thus increasing total health premiums; however, a consumer's decision to purchase dental benefits will be influenced by a number of factors not seen with QHPs, which could lead to a disparity in dental and medical markets on the Exchange.

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of Dental Plans  
Dallas, TX

National Association of Dental Plans

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

972.458.6998 • 972.458.2258 [fax]

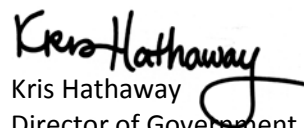


The availability of subsidies for purchasing health coverage will motivate consumers to purchase health coverage through Exchanges; however, IRS has indicated the cost of a standalone pediatric dental policy will not be included in the base calculation of the total cost of benchmark coverage used to allocate tax credits—limiting the availability of subsidies to support the purchase of essential pediatric dental benefits and an incentive to purchase those benefits. Another incentive to purchase that will be limited for dental plans is the individual mandate, which we understand will not require individuals to show proof of obtaining pediatric dental benefits. Finally, the lack of a requirement on Cover Oregon to purchase pediatric dental EHB by consumers covering children and young adults under age 19 also dilutes the incentives consumers have to obtain pediatric dental coverage.

Based on these market forces impacting the purchase of dental benefits on the Exchange and the smaller total premium amounts expected for dental plans when compared to QHPs, NADP urges Cover Oregon to reduce the administrative charge for stand alone dental plans on the Exchange.

NADP is appreciative for the opportunity to provide comments on the draft procedure, and we look forward to future discussions on these critical issues. For additional information, attached is a dental fact sheet for Oregon that you may find useful. Please contact me with any questions regarding these comments at [khathaway@nadp.org](mailto:khathaway@nadp.org) or 972 458-6998x111. Again, thank you for your consideration.

Sincerely,



Kris Hathaway  
Director of Government Relations  
National Association of Dental Plans  
12700 Park Central Dr., Suite 400  
Dallas, TX 75251

#### **NADP DESCRIPTION**

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 over 92 percent of the 176 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.

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

972.458.6998 • 972.458.2258 [fax]

[nadp.org](http://nadp.org)

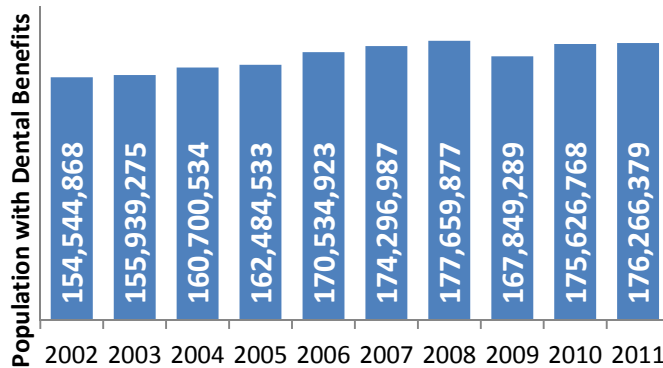
"the representative and recognized resource of the dental benefits industry"



### National Enrollment Trends

### State Enrollment

### Enrollment



Source: 2012 NADP/DDPA Joint Dental Benefits Report on Enrollment

An estimated 1,545,370 people are enrolled in a private dental plan from Oregon.

#### Private Plan Enrollment

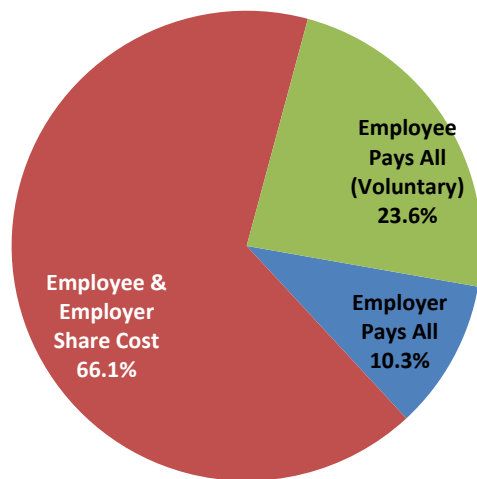
Plan Type	Enrollment
DHMO	170,929
DPPO	775,033
Indemnity	550,458
Other Private	48,950

#### Public Plan Enrollment

Medicaid/CHIP <sup>1</sup>	201,850
Other Public	151,852

Source: 2012 NADP/DDPA Joint Dental Benefits Report on Enrollment

### Group Policy Funding

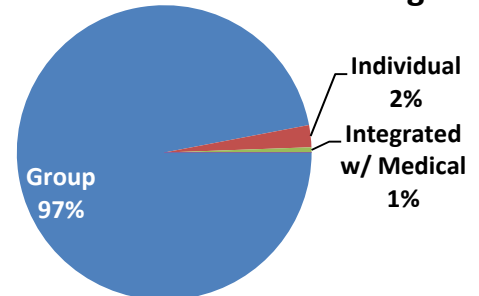


Source: 2012 NADP/DDPA Joint Dental Benefits Report on Enrollment

### Distribution of Commercial Benefits: State v. National

	DHMO	DPPO	Indemnity	Other
Oregon	11.1%	50.2%	35.6%	3.2%
National	8.4%	77.2%	9.0%	5.4%

### Sources of Private Dental Coverage



Source: 2012 NADP/DDPA Joint Dental Benefits Report on Enrollment

### Premium Facts

Nationally, premium increases for existing group coverage ranged from 0.1% for DPPO products to 1.8% for Dental Indemnity products.<sup>2</sup>

Average monthly dental premium per member per month in Oregon:

DPPO: \$ 42.52                      Dental indemnity: \$ 46.25

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

<sup>2</sup> NADP 2012 Premium and Benefit Utilization Trends

# Oregon Dental Benefits Fact Sheet

## Workforce

The federal standard for an adequate supply of dentists is 3.33 practicing dentists per 10,000 population.<sup>3</sup>

According to the American Dental Association, 2,432 dentists are actively practicing in Oregon or 6.28 dentists per 10,000 population.<sup>4</sup>

Network Type	Total Dentists	General Dentists	Pediatric Dentists	Specialists
DHMO	165	121	3	33
DPPO	1,755	1,479	50	225
Discount	937	802	111	111

Source: 2012 NADP/DDPA Joint Dental Benefits Report on Network Statistics

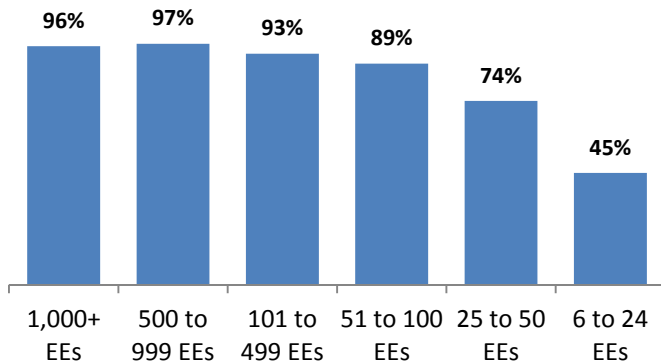
## NADP Members

Plan Type	NADP Members Offering Dental Plans
DHMO	5
DPPO	28
Indemnity	18
<b>Discount</b>	<b>14</b>

Source: 2012 NADP Membership Directory

## Where do Consumers Get Dental Benefits

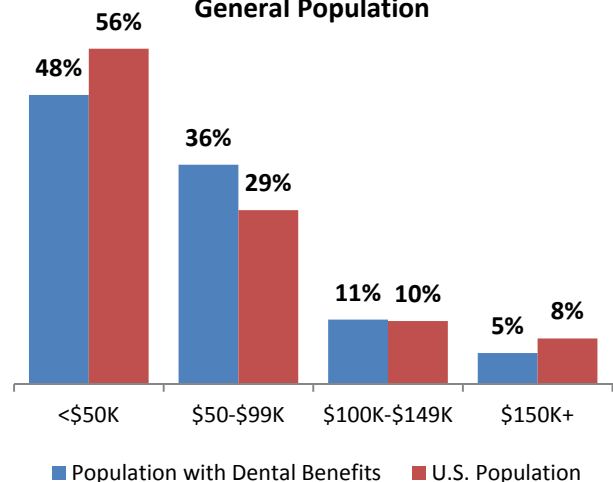
**Employers Offering Dental Benefits by Employer Size**



Source: 2011 NADP Purchaser Behavior Survey

## Who Has Dental Benefits?

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



Source: 2012 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 160 million Americans, more than 80% of all the dental benefits in the U.S.

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

<sup>4</sup> American Dental Association