September 27, 2013

Jamie Walker
Associate Commissioner
Texas Department of Insurance
333 Guadalupe
Austin, TX 78714-9104
Submitted via email to NavigatorRegistration@tdi.texas.gov

RE: Rule Development and Implementation Strategy for SB 1795

Dear Commissioner Walker,

The National Association of Dental Plans (NADP) appreciates the opportunity to provide comments on the development and implementation of SB 1795 on regulation of navigators in Texas.

As you are aware, the Affordable Care Act (ACA) sets a specific group of benefits, i.e. Essential Health Benefits (EHB) as the minimum health coverage that can be offered in the Marketplace. Part of this set of benefits is “pediatric services, including oral and vision care.”

In the Marketplace, if consumers want to purchase child-only or family dental coverage they can either purchase dental benefits as a separate policy or purchase a medical policy which has dental coverage embedded in that policy. Through federal regulations, dental policies have different requirements than medical policies, including: Actuarial Value (AV) levels, maximum out of pocket limits, cost sharing structures and other important factors. It is important for navigators to understand the variations between dental policies to best assist the consumer.

The PEW Center on the States estimates that about 5.3 million additional children will get dental coverage under the ACA. These studies reflect an anticipated interest in coverage for children and families that should be addressed by Navigator personnel.

Due to the complexity of dental benefits within the ACA, NADP recommends the Department consider developing additional training for navigators on the availability of essential pediatric dental benefits and family dental coverage on the Marketplace.
NADP is appreciative for the opportunity to provide comments on the training of navigators, and we look forward to future discussions on these critical issues. NADP maintains information on dental benefits within the ACA and would be happy to provide further information as the Department develops its own educational materials for navigators.

For additional information, attached is a dental fact sheet for Texas that you may find useful. Please contact me with any questions regarding these comments at 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.
An estimated 9,692,551 people are enrolled in a private dental plan from Texas.

**Private Plan Enrollment**

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHMO</td>
<td>689,900</td>
</tr>
<tr>
<td>DPPO</td>
<td>7,962,704</td>
</tr>
<tr>
<td>Indemnity</td>
<td>339,725</td>
</tr>
<tr>
<td>Other Private</td>
<td>700,222</td>
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</tbody>
</table>

**Public Plan Enrollment**

<table>
<thead>
<tr>
<th>Source</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid/CHIP</td>
<td>690,381</td>
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<tr>
<td>Other Public</td>
<td>1,955,475</td>
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**Group Policy Funding**

<table>
<thead>
<tr>
<th>Source</th>
<th>Distribution of Commercial Benefits: State v. National</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>DHMO</td>
</tr>
<tr>
<td>Texas</td>
<td>7.1%</td>
</tr>
<tr>
<td>National</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

**Sources of Private Dental Coverage**

- Individual: 2%
- Integrated w/ Medical: 1%
- Group: 97%

**Premium Facts**

Nationally, premium increases for existing group coverage ranged from 0.1% for DPPO products to 1.8% for Dental Indemnity products.¹

Average monthly dental premium per member per month in Texas:

- DPPO: $29.25

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

² NADP 2012 Premium and Benefit Utilization Trends
Texas Dental Benefits Fact Sheet

**Workforce**

The federal standard for an adequate supply of dentists is 3.33 practicing dentists per 10,000 population. According to the American Dental Association, 10,492 dentists are actively practicing in Texas or 4.09 dentists per 10,000 population.

<table>
<thead>
<tr>
<th>Network Type</th>
<th>Total Dentists</th>
<th>General Pediatric Dentists</th>
<th>General Pediatric Specialists</th>
</tr>
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<tbody>
<tr>
<td>DHMO</td>
<td>1,640</td>
<td>1,083</td>
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<tr>
<td>DPPO</td>
<td>10,587</td>
<td>8,135</td>
<td>497</td>
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<tr>
<td>Discount</td>
<td>6,996</td>
<td>5,406</td>
<td>1,232</td>
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**NADP Members**

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Offering Dental Plans</th>
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</thead>
<tbody>
<tr>
<td>DHMO</td>
<td>5</td>
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<tr>
<td>DPPO</td>
<td>32</td>
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<tr>
<td>Indemnity</td>
<td>18</td>
</tr>
<tr>
<td>Discount</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: 2012 NADP Membership Directory

**Where do Consumers Get Dental Benefits**

**Employers Offering Dental Benefits by Employer Size**

- 96% of employers offer dental benefits to 1,000+ EEs
- 97% of employers offer dental benefits to 500 to 999 EEs
- 93% of employers offer dental benefits to 101 to 499 EEs
- 89% of employers offer dental benefits to 51 to 100 EEs
- 74% of employers offer dental benefits to 25 to 50 EEs
- 45% of employers offer dental benefits to 6 to 24 EEs

Source: 2011 NADP Purchaser Behavior Survey

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

- 48% of U.S. Population has dental benefits
- 36% of <$50K income has dental benefits
- 29% of $50-99K income has dental benefits
- 11% of $100K-$149K income has dental benefits
- 10% of $150K+ income has dental benefits
- 5% of U.S. Population has dental benefits
- 8% of <$50K income has dental benefits

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.

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3 U.S. Department of Health and Human Services
4 American Dental Association

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