

November 27, 2012

Mr. Richard Onizuka
Executive Director
Washington Health Benefit Exchange
521 Capitol Way South
Olympia, WA 98507
Sent via email

Re: Stand Alone Dental in the Washington Exchange

Dear Mr. Onizuka,

The National Association of Dental Plans (NADP) is writing to provide clarification on the inclusion of dental benefits within Exchanges as required in the Affordable Care Act (ACA). While NADP has previously submitted comments to the Washington Health Benefit Exchange (Exchange) on September 4 and 18 of this year, we are taking this opportunity to specifically address concerns related to exclusion of dental within Washington’s SHOP Exchange.

From our understanding, there has been a recent decision by the Exchange to only allow pediatric dental benefits of the Essential Health Benefits (EHB), if they are embedded within a qualified health plan (QHP) in the SHOP Exchange. This decision results in severe adverse selection as consumers will no longer have parallel choices offered in the SHOP versus the Individual Exchange as well as in the commercial market outside the Exchanges. In addition to eliminating choices for consumers, it reduces competition and provides no opportunity for stand-alone dental plans within the SHOP Exchange. As detailed below, federal statute clearly mandates that stand-alone dental products must be allowed to be issued in both state Exchanges.

The ACA specifically states, “Each Exchange within a State shall allow an issuer of a plan that only provides limited scope dental benefits meeting the requirements... to offer the plan through the Exchange (whether separately or in conjunction with a qualified health plan) if the plan provides pediatric dental benefits meeting the requirements...”¹ When ‘Each’ Exchange is mentioned it is referencing both the Individual and SHOP

¹ Affordable Care Act Section 1311(d)(2)(B)(ii)

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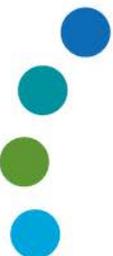
National Association of Dental Plans

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Exchange as states must offer both types or combine them as one.

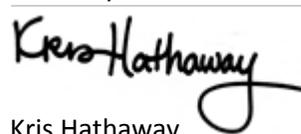
Further, the U.S. Department of Health and Human Services (HHS) responded to questions regarding this issue in their March 2012 Final Exchange Rule, writing, “We interpret the phrase regarding the offering of stand-alone dental plans “either separately or in conjunction with a QHP” to mean that the Exchange must allow stand-alone dental plans to be offered either independently from a QHP or as a subcontractor of a QHP issuer, but cannot limit participation of stand-alone dental products in the Exchange to only one of these options.”²

The inclusion of stand-alone dental plans within the ACA was afforded because policymakers did not want to disrupt consumers’ current benefits as well as an effort to parallel the current large group commercial market. In the private market (not including public programs), an estimated 99 percent of Americans with dental coverage today have a dental benefit policy separate from their medical policy. Thus, the ACA allows Exchange customers to purchase dental policies separately from their medical plan just as it is commonly done in the commercial market today.

Dental companies should be allowed to offer the pediatric dental policy as a stand-alone product in the SHOP Exchange so that Washington Health Benefit Exchange consumers are able to choose from a myriad of pediatric dental options. In a recent survey of our members, we found that 7 dental carriers plan to offer the pediatric benefit in Washington’s SHOP Exchange. We strongly urge you to reconsider your decision to only allow the pediatric dental benefit to be embedded within QHPs in light of the clear federal law and regulations which require the allowance of stand-alone dental plans to offer the pediatric dental benefit on both the Individual and SHOP Exchange. In addition, this will ensure a vibrant, competitive medical and dental marketplace on each and every Exchange.

NADP greatly appreciates your time and attention to our concerns, and we look forward to future discussions on these critical issues to the residents of Washington. 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

² CMS-9989-F: Establishment of Exchanges and Qualified Health Plans Final Rule/Interim Final Rule, March 27, 2012, 381.



CC:

The Honorable Mike Kreidler, Insurance Commissioner
Ms. Beth Berendt, Office of Insurance Commissioner
Margaret Stanley, Health Benefit Exchange Board Chair
Pam MacEwan, Health Benefit Exchange
Michael Arnis, Health Benefit Exchange

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 90 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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