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National Association
of Dental Plans
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February 12, 2018

The Honorable Andrew M. Cuomo
Governor of New York
NYS State Capitol
Albany, NY 12224

Re: Part DD of S.7509/A.9509 ("Revenue Article VII Bill")

The National Association of Dental Plans (NADP) writes to express its opposition to Part DD of S.7509/A.9509, which proposes a 14% tax on the net underwriting gain from the sale of health insurance in New York. The definition of "health insurance" includes dental.

Our members have serious concerns with the proposal as drafted. The stated purpose of this tax is to recapture some of the lost revenue due to a reduction in the federal tax rate. The federal tax cut, however, applies equally to all entities, whereas the Governor's proposed tax is applied only to insurers. While we recognize the State's need to balance its budget, we find the deliberate targeting of the health insurance sector arbitrary and likely to create unintended consequences harmful to consumers.

By erasing the tax benefit health insurers may receive as a result of the federal tax bill, the Governor's proposal forecloses the possibility that insurers could pass the resulting savings on to their customers in the form of lower premiums. Although dental premiums are generally much lower than medical - at a ratio of 1/10 to 1/12 - even a small difference could positively impact the financial welfare of New York's consumers and make coverage more affordable, expanding access to dental coverage.

In addition, the imposition of this tax could provoke retaliatory taxation on the part of other state governments. §1112(a) of New York's Insurance Law targets states that require insurers domiciled in New York to pay higher taxes, fines, penalties or fees than insurers domiciled in that state, and requires those insurers to be subjected to like obligations in New York. If the Governor's proposal is enacted, other states could similarly respond by imposing new surcharges on New York insurers.

For these reasons NADP opposes Part DD and encourages all parties to more carefully consider the deleterious effects its adoption would have on businesses and consumers in New York. We greatly appreciate your consideration of this matter and have attached our New York Dental State Fact sheet for your review. Please feel free to contact me with any

National Association of Dental Plans

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nadp.org

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



questions at 972.458.6998x111 or eaugustini@nadp.org.

Sincerely,



Eme Augustini
Director of Government Relations
eaugustini@nadp.org; (972) 458-6998 ext. 111

NADP DESCRIPTION

NADP is the largest non-profit trade association focused exclusively on the dental benefits industry. NADP's members provide dental HMO, dental PPO, dental Indemnity and discount dental products to more than 184 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.

National Association of Dental Plans

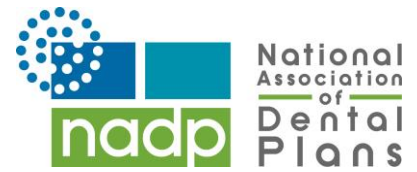
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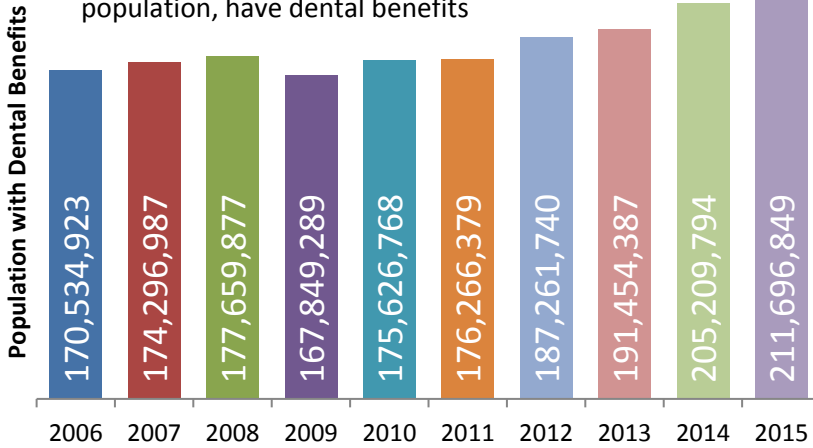
New York

Dental Benefits Fact Sheet



National Enrollment Trends

An estimated 211.7 million Americans, 66% of the U.S. population, have dental benefits



Source: 2016 NADP Dental Benefits Report on Enrollment

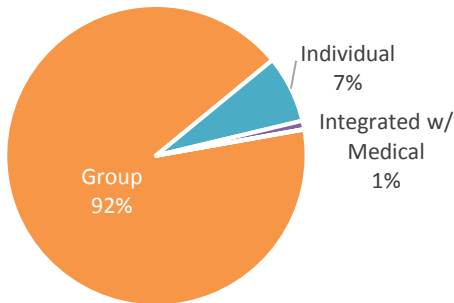
Dental Enrollment

An estimated 11,183,136 or 56% of the New York population have dental benefits.

Plan Type	Enrollment
Private Plans	
DHMO	512,522
DPPO	5,413,410
Indemnity	531,657
Other Private	1,261,613
Public Plans	
Medicaid/CHIP	3,463,934

Source: Data from the Centers for Medicare and Medicaid Services and 2016 NADP Dental Benefits Report on Enrollment

Sources of Private Dental Coverage



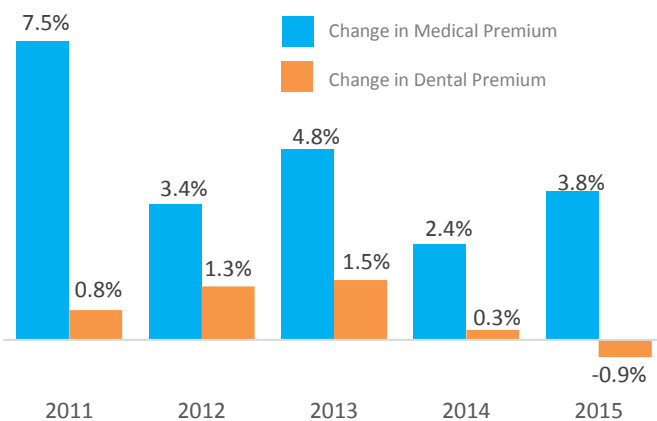
Source: 2016 NADP Dental Benefits Report on Enrollment

Private Dental Products: State vs National

	DHMO	DPPO	Indemnity	Other
New York	6.6%	70.1%	6.9%	16.3%
National	7.3%	82.0%	6.5%	4.3%

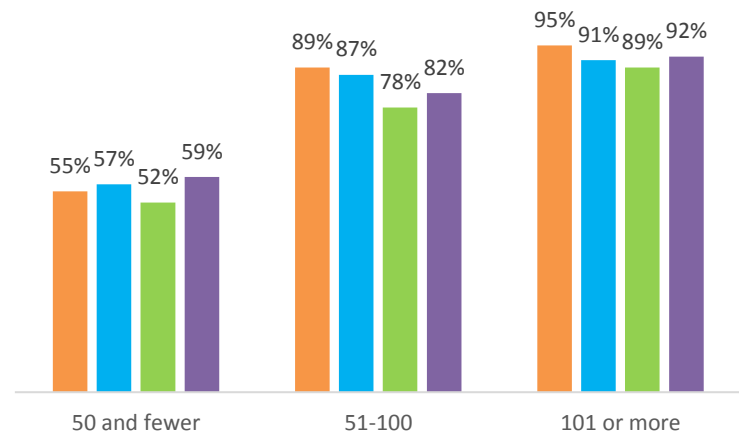
Source: NADP 2016 Dental Benefits Report: Premium and Benefit Utilization Trends

National Change in Premium



Source: NADP 2012-2016 Dental Benefits Report: Premium and Benefit Utilization Trends

Trend in Employers Offering Dental Coverage



Source: 2016 NADP Survey of Employers

New York Dental Benefits Fact Sheet

Workforce in New York

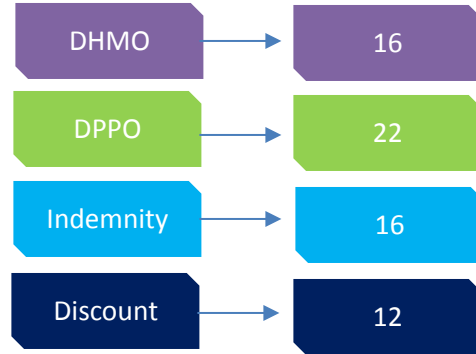
The federal standard for an adequate supply of dentists is 3.33 practicing dentists per 10,000 population. The table presents the number of dentists participating on provider networks including the number of network dentists per 10,000 population.

Network Type	Total Dentist	General Dentists	Pediatric Dentists	Specialists	Per 10,000
DHMO	3,574	2,398	163	1,013	1.81
DPPO	19,471	14,605	969	3,897	9.84
Discount	8,002	6,277	334	1,391	4.04

Source: 2016 NADP/DDPA Joint Dental Benefits Report on Network Statistics and U.S. Department of Health and Human Services

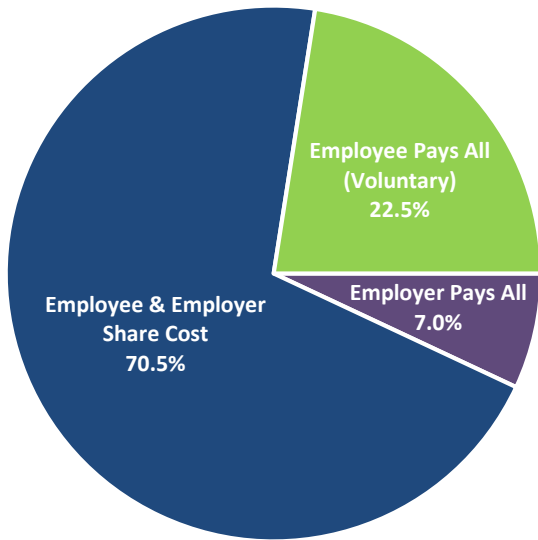
NADP Members in New York

Plan Types Offered by NADP Members



Source: 2016 NADP Membership Directory

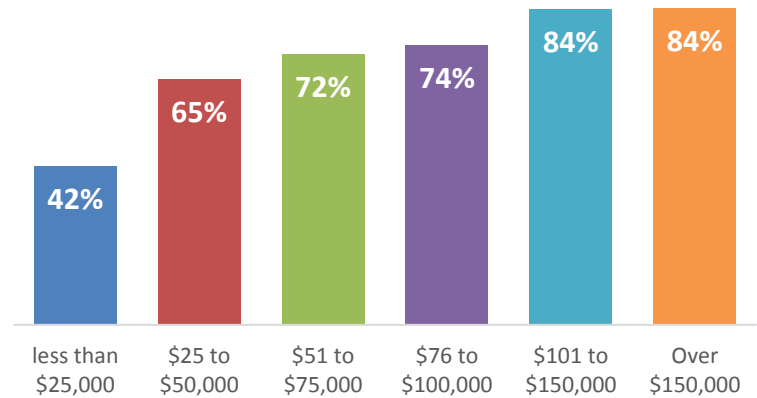
Group Policy Funding



Source: 2016 NADP Dental Benefits Report on Enrollment

Who Has Dental Benefits

Consumers with Dental Benefits by Household Income



Source: 2016 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 benefits to about 90 percent of 211.7 million Americans with dental benefits.