



**Statement of America's Health Insurance Plans
and
National Association of Dental Plans**

**Idaho Commerce and Human Resources Committee
Public Hearing on Senate Bill 1069**

February 21, 2019

An Act Relating to Insurance Provisions Regarding Contracts with Providers of Dental Services

Chairmen Jim Patrick members of the Commerce and Human Resources Committee, America's Health Insurance Plans (AHIP)¹ and the National Association of Dental Plans (NADP)² appreciates this opportunity to present our concerns with [Senate Bill 1069](#), "An Act Relating to Insurance Provisions Regarding Contracts with Providers of Dental Services." The legislation would amend the definition of "covered services" to allow dentists to charge consumers higher fees for services once a patient reaches twice the capped annual maximum benefit amount for a calendar year or benefit year. Under the amended definition, if a patient reaches their annual maximum in the middle of the year, a dentist could charge a higher rate for preventive dental visits or cleanings, potentially increasing out-of-pocket costs significantly for consumers.

When a dental plan enters into a contract with a dental care provider, it is common for the dental plan to negotiate fee discounts for covered services, including those delivered after the application of plan limitations such as annual maximums. These discounts are made available to consumers as part of their dental plan. Prohibiting such arrangements hurts consumers, who will need to pay the provider's full billed charges without the benefit of the discount negotiated on their behalf by their dental plan.

¹ America's Health Insurance Plans (AHIP) is the national association members provide coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers.

² The National Association of Dental Plans (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 195 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.

Idaho's current definition of covered services prohibits a dental plan from requiring a dentist to accept a negotiated fee set by the plan for services that are not covered. Under current Idaho law, "covered services" is defined as "services under the applicable dental plan, dental plan contract or plan benefits subject to such contractual limitations on benefits of the dental plan, dental plan contracts or plan benefits as may apply." Contractual limitations can include annual maximums, deductibles, waiting periods, or frequency limitations.

The law currently in effect in Idaho is consistent with the model law promulgated by the National Conference of Insurance Legislators (NCOIL), which was developed following many hours of testimony and consensus among all stakeholders. It balances the competing needs and arguments of dentists, consumers, and the dental plans who mediate between them. Adhering to the current Idaho definition of "covered services" is in the best interests to Idaho consumers.

This bill is also very unusual in that it requires tracking of twice the annual maximum which creates a substantial administrative burden that no other state law imposes. It is unclear how the annual maximum exceeded by 100% would be tracked, or by whom. Insurance carriers would have no way to monitor this limit without substantial investment in informational technology enhancements, which will be administratively expensive resulting in higher premiums, and it is unlikely that providers would be able to track it either.

We hope that Idaho continues to protect their consumers by retaining current law. The Idaho approach is consistent with most other states with non-covered services laws which recognize that dental services obtained after the annual maximum is reached should be treated as covered services and provided at the negotiated fee agreed to by the provider.

For these reasons, we urge the Committee to reject the legislation. Thank you for the opportunity to comment.