



February 20, 2019

Rep. Brenda Landwehr, Chair  
House Committee on Health and Human Services  
Kansas House of Representatives  
300 SW 10<sup>th</sup> St.  
Topeka, Kansas 66612

**RE: AHIP and NADP Opposition to H.B. 2307**

Madam Chair:

On behalf of America's Health Insurance Plans (AHIP<sup>1</sup>) and the National Association of Dental Plans (NADP<sup>2</sup>) we thank you for the opportunity to provide comments in opposition to H.B. 2307.

While we appreciate the critical role played by dental providers in Kansas and the important role they play in both oral and overall health, H.B. 2307 is not legislation aimed at improving oral health or access to care. Instead, the bill expands an already anti-consumer law and runs the risk of harming consumers by limiting access to discounts and negotiated rates for health care services by removing the right of insurers and dentists to mutually agree on contractual terms and discounts that benefit consumers.

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<sup>1</sup> AHIP is the national association whose members provide coverage for health care and related services to millions of Americans. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We support market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers. Our members are committed to providing consumers with affordable products that offer a broad range of robust provider networks of quality, cost-efficient providers.

<sup>2</sup> 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.

Dental carriers routinely contract with dentists to provide a defined set of services or materials at a discounted rate to consumers. Unlike contracts for services under major medical coverage, it is common to negotiate fees not only for covered services, but also for non-covered services. These negotiated rates are then made available to consumers as part of their dental plan.

This provides a valuable financial benefit to the people of Kansas and H.B. 2307 will almost certainly cause patients to pay more for their dental care. The increase in costs for Kansans is made more troubling by the fact that consumers will pay more without receiving any added benefit or improved care. AHIP and NADP do not support proposals that increase costs at the expense of families and businesses that already struggle with health care costs. This takes on added importance because studies routinely demonstrate that oral health is extremely important to the development of children and the general health of adults, which would be put at risk by new laws impeding the ability of dental carriers to negotiate on behalf of their customers.

We remain concerned that this intervention into the private market will erode the benefits of provider networks by eliminating an important advantage that comes along with dental insurance. Existing Kansas law already restricts the treatment of non-covered services and the provisions of this bill will only increase the potential harms that could result from weakening dental provider networks.

The legislation being considered further erodes the rights of private contracts between dental carriers and dental providers. In a dental network, both parties willingly agree on contractual terms and enter into arrangement to provide a set of services. There is no legitimate reason for a legal requirement that prohibits carriers and providers from negotiating to provide discounts on non-covered services if both parties recognize benefits in doing so. Dental providers are not required to participate in provider networks and have the right to manage their own practice how they see fit. There is no need for a statutory legal prohibitions against added benefits for consumers. The private market is the best way to determine whether the benefits and drawbacks of providing discounted non-covered services is fair and efficient.

Finally, there is a very real possibility that H.B. 2307 would result in additional costs for consumers and dental plans with no benefit to patients. Dental plans would likely need to update their consumer disclosure materials and policy documents, which requires significant time and resources. The expenditure of those resources may be justified when a corresponding benefit is realized by consumers, but that is not the case with H.B. 2307.

For the foregoing reasons we respectfully oppose H.B. 2307. Thank you again for the opportunity to provide comments to the Committee.

Sincerely,



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Joshua Keepes  
Regional Director  
America's Health Insurance Plans



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Eme Augustini  
Director of Government Relations  
National Association of Dental Plans