



January 28, 2016

Senator Randi Becher
Senate Health Care Committee
Washington State Legislature
466 J.A. Cherberg Bldg.
Olympia, WA 98504-0466
Sent via email

Re: Opposition to S.B. 6318

Dear Chairwoman Becker:

The National Association of Dental Plans (NADP) represents dental plans covering more than 4.2 million Washingtonians, or 61 percent of the population, with dental coverage. We are concerned with the possible precedent set by Senate Bill 6318, which was just heard in your committee on January 25, 2016. NADP hopes you and your colleagues will take our opposition into consideration as the bill develops within your committee.

As drafted, S.B. 6318 proposes amendments to Washington statute which will disrupt dental services for many Washingtonians without cause. NADP understands and appreciates dentists who want to be assured their clinical and ownership decisions are not questioned; however, these proposed changes have a much greater scope, especially when compared to methods employed within other states.

Currently, there are Dental Service Organizations (DSO) which provide business operations for dental offices. DSOs are becoming a more popular option for dentists who do not want to be burdened with the administrative and business requirements of owning a small business, but prefer to focus on providing the best patient care. This trend is similar to that experienced in the medical field more than a decade ago. The structure of this bill seems to modify this business model, with the distinct purpose of making DSOs less competitive to the current standard practice of dental care.

NADP would appreciate further dialog with the committee to better understand the repercussions of S.B. 6318, as it is necessary to develop a structure which provides safeguards for dentists while allowing flexibility for managing the administration of a dental office.

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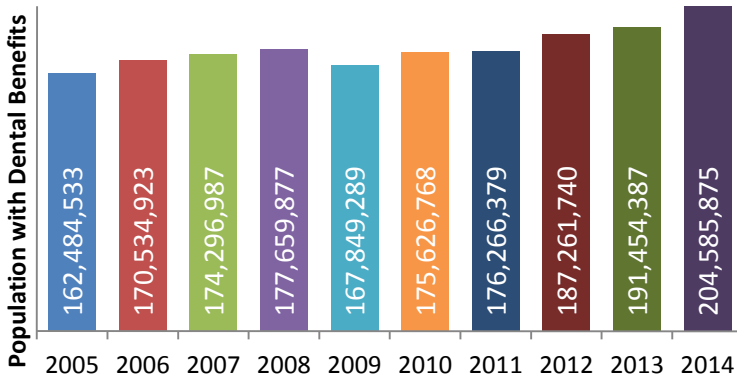
Washington

Dental Benefits Fact Sheet



National Enrollment Trends

An estimated 204,585,875 Americans, 64% of the population, have dental benefits.



Source: 2015 NADP Dental Benefits Report on Enrollment

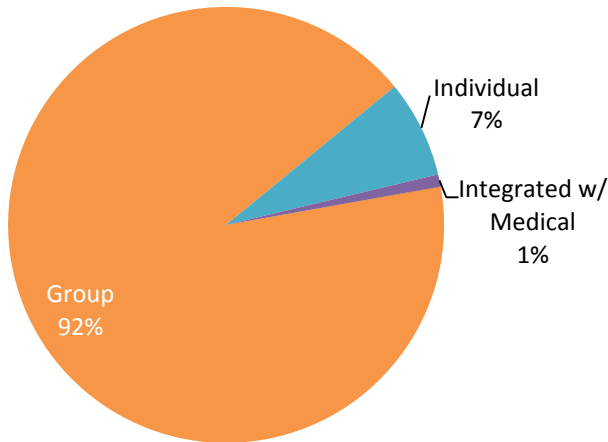
Dental Enrollment

An estimated 4,347,037 or 62% of the population have dental benefits in Washington.

Plan Type	Enrollment
Private Plans	
DHMO	292,359
DPPO	3,371,589
Indemnity	180,897
Other Private	48,584
Public Plans	
Medicaid/CHIP ⁹⁵	448,816

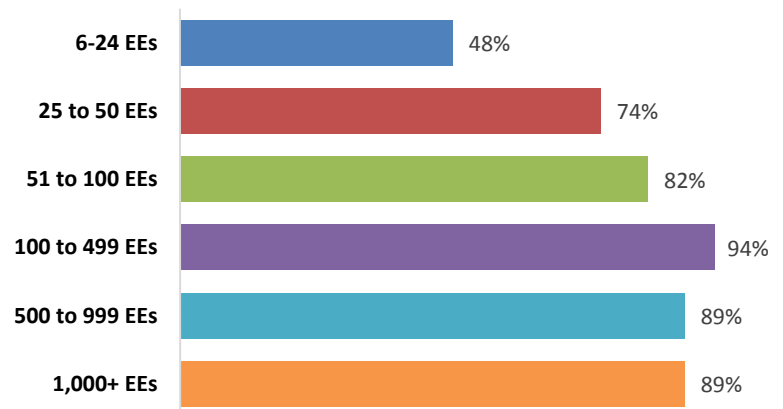
Source: Data from the Centers for Medicare and Medicaid Services and 2015 NADP Dental Benefits Report on Enrollment

Sources of Private Dental Coverage



Source: 2015 NADP Dental Benefits Report on Enrollment

Employers Offering Dental Benefits by Employer Size



Source: 2015 NADP Survey of Employers

Premium Facts

Washington	DHMO	DPPO	Indemnity
Small Group	--	\$39.97	\$65.90
Large Group	--	\$44.54	\$36.86
Individual	--	--	--
Nat'l All Group Avg	\$17.01	\$31.69	\$36.13

Source: NADP 2015 Dental Benefits Report: Premium and Benefit Utilization Trends

Distribution of Commercial Benefits: State vs National

	DHMO	DPPO	Indemnity	Other
Washington	6.7%	77.6%	4.2%	1.1%
National	7.9%	78.9%	6.8%	6.4%

Source: 2015 NADP Dental Benefits Report on Enrollment

Washington Dental Benefits Fact Sheet

Workforce

NADP Members

The federal standard for an adequate supply of dentists is 3.33 practicing dentists per 10,000 population.⁹⁶

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	421	285	14	122	0.60
DPPO	5,380	4,323	259	798	7.62
Discount	2,846	2,336	176	334	4.03

Source: 2015 NADP/DDPA Joint Dental Benefits Report on Network Statistics and U.S. Department of Health and Human Services

Plan Types Offered by NADP Members

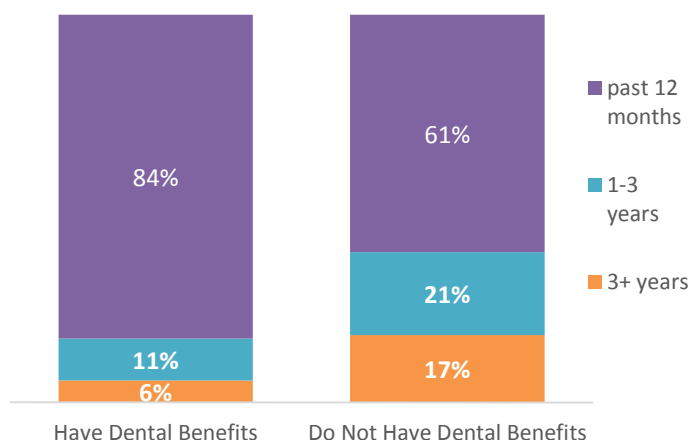


Source: 2015 NADP Membership Directory

Dental Benefits Impact Consumer Behavior

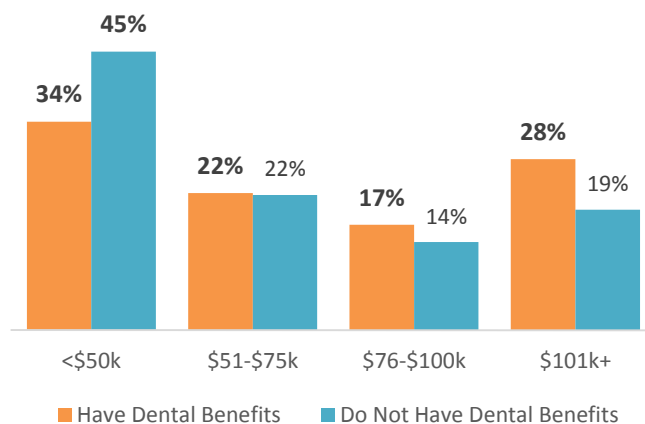
Who Has Dental Benefits

When was your last visit to the dentist?



Source: 2015 NADP Survey of Consumers

Consumers with and without Dental Benefits by Household Income



Source: 2015 NADP Survey of Consumers

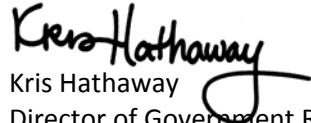
About



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 205 million Americans with dental benefits.

NADP greatly appreciates the opportunity to share our views, and please contact me with any questions regarding these comments at khathaway@nadp.org or 972.458.6998x111. As a reference, attached is NADP's dental state fact sheet on Washington's dental coverage and market. Again, thank you for your consideration.

Sincerely,



Kris Hathaway
Director of Government Relations

cc. Members of the Senate Health Committee

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 more than 90 percent of the 205 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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