



May 18, 2015

The Honorable Mary Taylor
Lieutenant Governor
Director, Ohio Department of Insurance
50 W. Town Street
Third Floor - Suite 300
Columbus, Ohio 43215

Re: Draft Rule 3901-8-16 on Provider Network Disclosures

Dear Lieutenant Governor Taylor:

The National Association of Dental Plans (NADP) is responding with written comments to the Department of Insurance (ODI) draft rule 3901-8-16 regarding provider network disclosures.

NADP requests clarification on the applicability of the proposed regulation. The definition of "health benefit plan" in 3901-8-16 (C)(2) excludes a policy, contract, certificate, or agreement that covers only supplemental coverage, as described in section 3923.37 of the Revised Code, specific disease or vision care, among other coverages.

The draft rule's exclusion of specified disease and vision coverage recognizes that the application of these requirements to HIPAA-excepted benefits would be unduly burdensome and require significant additional administrative costs for traditionally low premium coverage.

- Due to the unique position of stand alone dental plans and dental provider networks, we urge the ODI to specifically exclude stand alone dental plans within the definition of a "health benefit plan" as is done similarly for other HIPAA-excepted benefits.

All areas of the market, including covered entities and purchasers of insurance, are impacted by the costs of complying with added regulation, and the impact of additional costs related to standards and technical systems changes required by the draft rule for dental plans cannot be overstated. As dental premium is on average 1/12 of a medical premium, any additional costs to administer benefits necessarily result in increased benefit costs and premiums.

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In addition, dental networks differ from medical networks as they are smaller in scale, include fewer specialists, and are not utilized in emergency room situations. NADP recommends the ODI make internal inquiries whether there are consumer inquiries or complaints related to dental networks to learn if any additional guidance is necessary related to dental networks. Currently, more than 80% of practicing DDS participate in dental networks. The dental benefits industry is comprised primarily of Dental Preferred Provider Organization (DPPO) products, wherein customers have the freedom to choose from a variety of dentists both in- and out-of-network.

Dental carriers today employ a variety of practices to update their directories, and the draft rule will unnecessarily increase costs in this area. For example, the draft rule Section (D)(1)(b) requires carriers to update directories upon 15 days after an effective change resulting from either provider notification or processing the adjudication of claims. Currently, a dental carrier may post all directory updates on the same day every month, as an example. To comply with the draft rule's 15 day provision, the carrier would have to change their IT system at great cost to establish a rolling update schedule, keeping track of all the notification dates and when those specific dentists need to be updated.

Regarding the use of claims to demonstrate a change in provider information or status, claims adjudication systems pay claims automatically based on identification criteria and are not programed to systematically connect those payments to provider directory changes. The systems do not determine a change in provider status and attempting to do so would be a substantial administrative burden.

As well, a full review of a directory on a quarterly basis requires extensive costs to hire new staff for this singular purpose. There is not extensive movement of providers among dental networks, and requiring a review on a quarterly basis would be an enormous cost and would necessitate premium increases without added benefits to the consumer.

Dental plans are also unique with respect to the draft rule Section (E)(2) requirement that carriers alert enrollees who may be affected by a provider status change within 15 business days of the effective date of such change. The impact on patients whose dental providers might leave a network is negligible because carriers' continuity of care provisions protect patients and ensure that they receive care amid a procedure.

Furthermore, under a DPPO plan, the enrollee has the option to go to any provider in- or out-of-network. There is no requirement for an enrollee to designate a primary provider. Simply because an enrollee may have visited a provider at one point in time does not mean that this is a provider the enrollee has seen or will see on a regular basis. Thus, attempting to notify enrollees who may be impacted would require, for every change, a substantial claims search, with the potential of limited success of identifying those enrollees who would use the provider in the future. Further, the administrative burden and cost of doing this would be tremendous with no advantage to the enrollee.

There are inherent differences between dental and medical networks, and many of the requirements of this regulation are geared specifically towards a medical network and not applicable to a dental network. NADP recommends an exemption for dental carriers within the draft rule, and if the ODI finds

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sufficient cause, to request dental carriers to include within their filings a description of how they ensure updated and correct provider directories to warrant future specific guidance to dental carriers. Additionally, an appropriate effective date and implementation schedule should be established to allow sufficient time to make the necessary changes to systems and processes if any such regulations are applicable to dental plans in the future.

NADP greatly appreciates your time and attention to our concerns. In addition to these comments, we have also attached our Ohio Dental State Fact Sheet for your review. Please contact me with any questions regarding these comments at khathaway@nadp.org or 972.458.6998 x. 111. Again, thank you for your consideration.

Sincerely,



Kris Hathaway
Director of Government Relations

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 92 percent of the 191 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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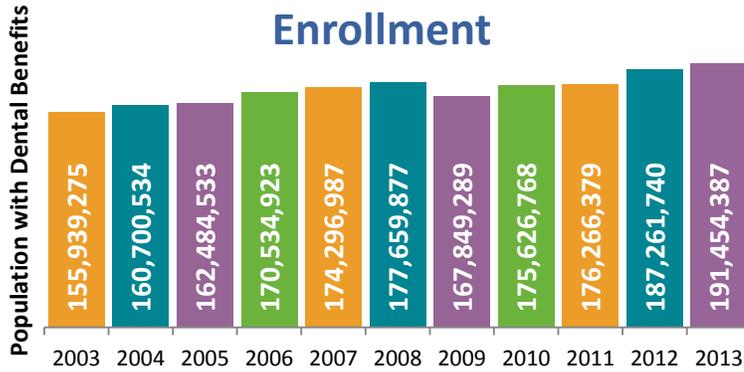
Ohio

Dental Benefits Fact Sheet



National Enrollment Trends

An estimated 191,454,387 Americans, 61% of the population, have dental benefits.



Source: 2014 NADP/DDPA Joint Dental Benefits Report on Enrollment

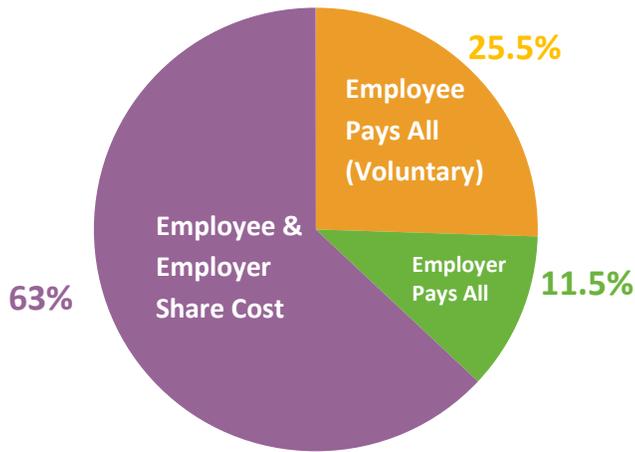
State Enrollment

An estimated 6,363,719 residents, 55% of the population, have dental benefits in Ohio.

Private Plan Enrollment	
Plan Type	Enrollment
DHMO	353,584
DPPO	4,765,709
Indemnity	137,199
Other Private	158,825
Public Plan Enrollment	
Medicaid/CHIP ¹	743,471
Other Public ²	204,932

Source: 2014 NADP/DDPA Joint Dental Benefits Report on Enrollment

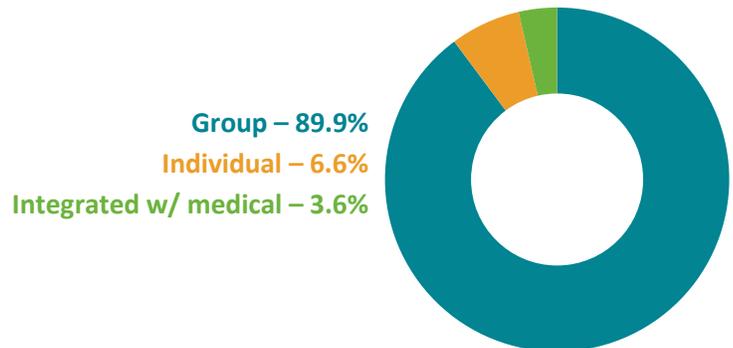
Group Policy Funding



Distribution of Commercial Benefits: State vs National

	DHMO	DPPO	Indemnity	Other
Ohio	6.5%	88.0%	2.5%	2.9%
National	7.9%	78.9%	6.8%	6.4%

Sources of National Private Dental Coverage



Source: 2014 NADP/DDPA Joint Dental Benefits Report on Enrollment

Source: 2014 NADP/DDPA Joint Dental Benefits Report on Enrollment

Premium Facts

Ohio	DHMO	DPPO	Indemnity	National	DHMO	DPPO	Indemnity
Small Group	\$15.82	\$33.55	\$37.96	All Group Avg	\$18.59	\$32.12	\$24.00
Large Group	\$18.34	\$28.33	\$35.19				

Source: NADP 2014 Dental Benefits Report: Premium and Benefit Utilization Trends

¹ Data from the Center for Medicare and Medicaid Services and 2014 NADP/DDPA Joint Dental Benefits Report on Enrollment

² "Other Public": Includes enrollment in federal and state programs not part of Medicaid



Ohio Dental Benefits Fact Sheet

Workforce

The federal standard for an adequate supply of dentists is 3.33 practicing dentists per 10,000 population.²

According to the American Dental Association 6,238 dentists are actively practicing in Ohio or 5.39 dentists per 10,000 population.³

Network Type	Total Dentists	General Dentists	Pediatric Dentists	Specialists
DHMO	544	404	11	129
DPPO	4,791	3,962	134	695
Discount	3,506	3,014	88	487

Source: 2014 NADP/DDPA Joint Dental Benefits Report on Network Statistics

NADP Members

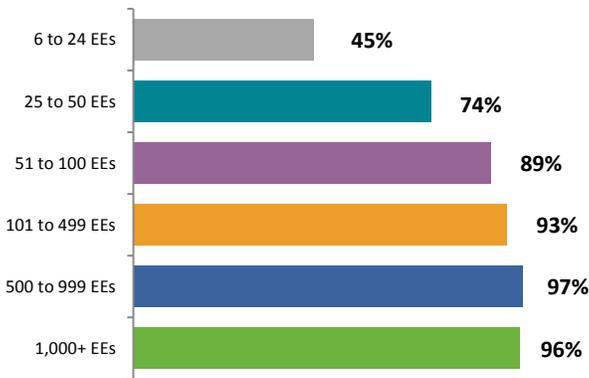
Plan Types Offered by NADP Members



Source: 2014 NADP Membership Directory

Where do Consumers Get Dental Benefits

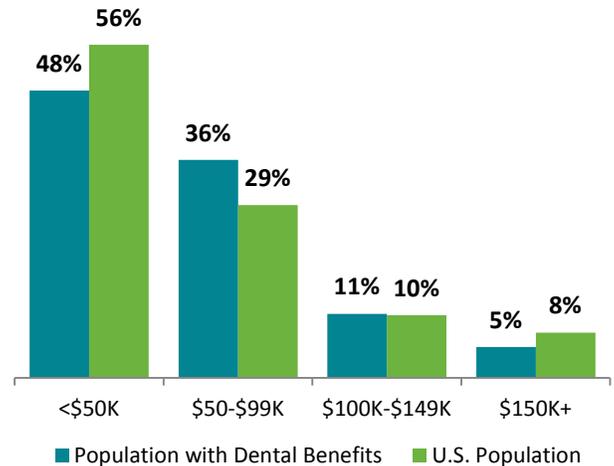
Employers Offering Dental Benefits by Employer Size



Source: 2011 NADP Purchaser Behavior Survey

Who Has Dental Benefits

Consumers with Dental Benefits by Household Income compared to General Population



Source: 2012 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 more than 90 percent of the 191 million Americans with dental benefits.

² U.S. Department of Health and Human Services

³ American Dental Association