



November 14, 2016

Ms. Cassandra Lentchner  
New York State Department of Financial Services  
One State Street  
New York, NY 10004  
Sent via email to CyberRegComments@dfs.ny.gov

RE: Proposed Cybersecurity Requirements for Financial Services Companies

Dear Ms. Lentchner:

The National Association of Dental Plans (NADP) is concerned with the New York State Department of Financial Services' (DFS) proposed regulation - 23 NYCRR 500 Cybersecurity Requirements for Financial Services Companies (regulation). While NADP agrees cybersecurity is a critical issue and needs to be addressed to ensure the privacy of our enrollees, dental plans have extremely limited resources and requests the regulation be amended to allow for greater flexibility for limited, excepted benefit plans which may be more significantly impacted than larger carriers.

There is confusion in the dental benefits industry about several of the proposed definitions, which seemed extremely broad in scope. As drafted, it appears that all licensed New York brokers will be "Covered Entities" except for very limited exceptions. In addition, all participating and non-participating providers as well as all third-party administrators, benefit administrators, enrollers and other entities and individuals in the distribution and enrollment channel, among others, will be subject to the third-party responsibilities within the regulation. As the vast majority of dental providers remain solo practitioners, their inclusion will make compliance likely unattainable for dental carriers.

Without a realistic exemption, carriers may be forced to preclude smaller brokers, individual providers and other smaller players from participation in the health and group insurance business. Such a limitation may significantly restrict networks, hurt small business in New York and reduce competition in this electronic insurance age. As such, besides an express definition of third parties, we encourage New York to consider an expanded exemption which would apply equally to Covered Entities and third parties.

Carriers have been reviewing the NAIC Model Act on data security and we are concerned on how proposed 23 NYCRR 500 regulation may differ from the Model Act. The Model Act allows for flexibility due to a

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



carriers' "size and sensitivity of the consumer information to be protected," while the cybersecurity program within the regulation seems to be more stringent in its requirements. In addition, HIPAA provisions already require substantial privacy requirements to which all dental plans adhere.

NADP only received the regulation last week, and would appreciate additional time to better understand the consequences of the regulation on dental plans. DFS must consider the regulation's financial and administrative impact on smaller carriers, such as dental plans, covering over 8.4 million New Yorkers with dental benefits.

NADP greatly appreciates your time and attention to our concerns. In addition to these comments, we have also attached our New York Dental State Fact Sheet for your review. Please contact me with any questions regarding these comments at [khathaway@nadp.org](mailto: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 saving plans and dental indemnity products. NADP's members provide dental benefits to more than 92 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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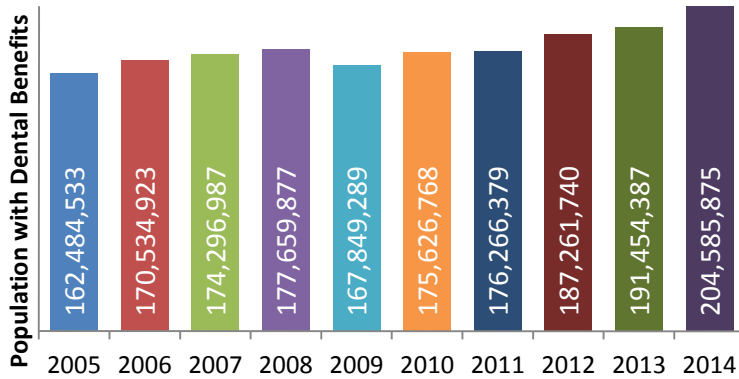
# New York

## 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

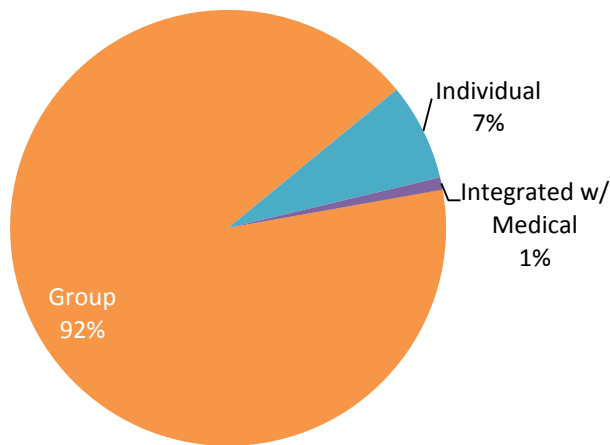
### Dental Enrollment

An estimated 8,412,351 or 43% of the population have dental benefits in New York.

Plan Type	Enrollment
<b>Private Plans</b>	
DHMO	526,525
DPPO	5,514,998
Indemnity	531,299
Other Private	842,014
<b>Public Plans</b>	
Medicaid/CHIP <sup>69</sup>	943,353

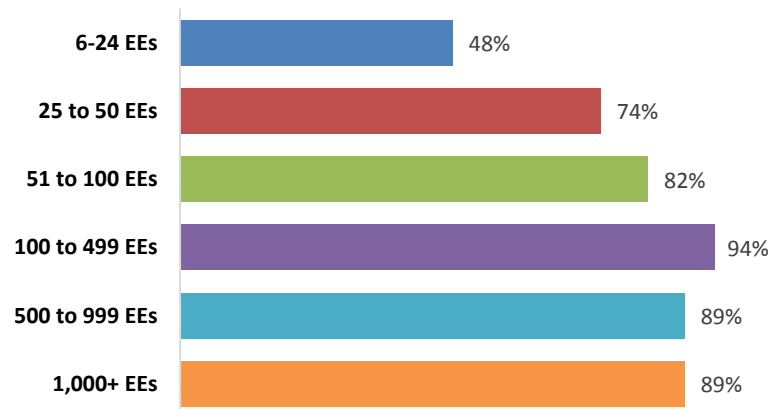
Source: Data from the Centers for Medicare and Medicaid Services and 2015 NADP Dental Benefits Report on Enrollment

### 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

New York	DHMO	DPPO	Indemnity
Small Group	--	\$50.14	\$42.05
Large Group	--	\$37.64	--
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
<b>New York</b>	6.3%	65.6%	6.3%	10.0%
<b>National</b>	7.9%	78.9%	6.8%	6.4%

Source: 2015 NADP Dental Benefits Report on Enrollment

# New York 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.<sup>70</sup>

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	2,941	1,871	117	953	1.49
DPPO	14,398	11,230	586	2,582	7.29
Discount	9,527	7,407	392	1,728	4.82

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

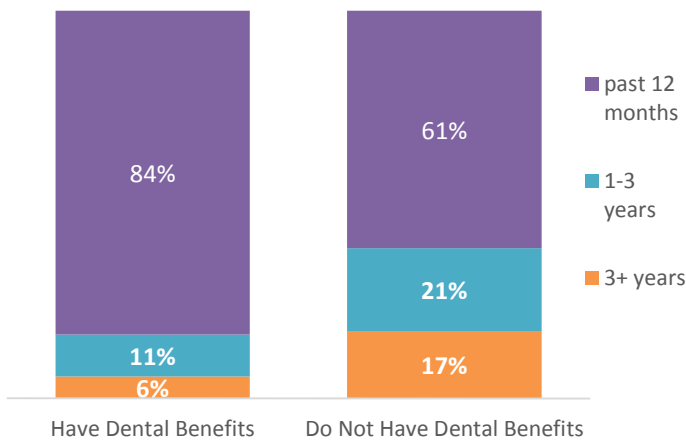
### Plan Types Offered by NADP Members



Source: 2015 NADP Membership Directory

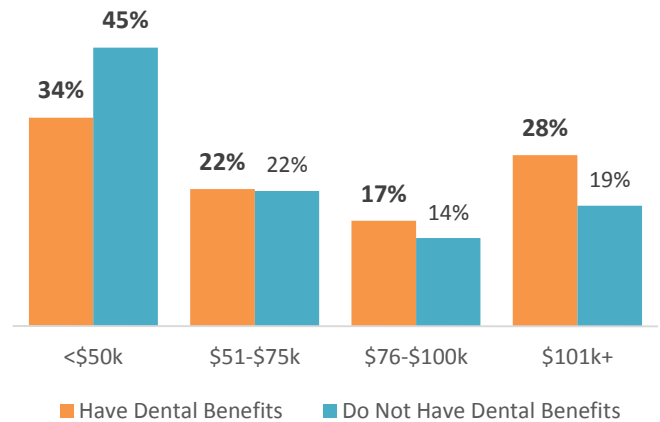
## Dental Benefits Impact Consumer Behavior Who Has Dental Benefits

### 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.