



April 8, 2015

The Honorable Charles Schwertner
Chair, Committee on Health & Human Services
P.O. Box 12068, Capitol Station
Austin, Texas 78711
Sent via email

Dear Senator Schwertner,

The National Association of Dental Plans (NADP) writes in support of Senate Bill 960 to codify current administrative rules and confirm dentists' ability to contract with Dental Support Organizations (DSOs) for non-clinical support services.

DSOs provide assistance to dental offices with non-clinical business and administrative services such as procurement of equipment, accounting and marketing. Dental offices contracting with DSOs are often in convenient locations, offer expanded hours and have access to capital for expansion and administrative efficiencies that increase access to care and can lower consumers' overall costs of dental care.

Many of NADP's member plans currently include dental offices supported by DSOs as part of their dental networks in Texas, as they do in many other states. DSOs have played an integral role in the broadening of networks and have expanded access to diverse populations and particularly those in need and in underserved areas of the state. In addition to expanding networks, our members have found DSOs provide administrative efficiencies and access to advanced technology for dental offices through economies of scale and enable dentists to focus more time providing quality dental care.

The proposed legislation clearly provides choice for dentists who may want to utilize DSOs in a variety of ways, from handling equipment leasing to administrative assistance. SB 960 will confirm and protect both the independent delivery of clinical care by providers as well as a dentists' ability to contract with DSOs, which play an increasingly essential role in expanding access to dental care in Texas.

NADP greatly appreciates the opportunity to share our views, and we are available to

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answer any of the Committee's questions. In addition to these comments, we have also attached our Texas Dental State Fact Sheet for your review. Please contact me with any questions regarding these comments at khathaway@nadp.org or 972.458.6998 x111. Again, thank you for your consideration.

Sincerely,



Kris Hathaway
Director of Government Relations

CC: Members of the Senate Committee on Health & Human Services

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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 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.

National Association of Dental Plans

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





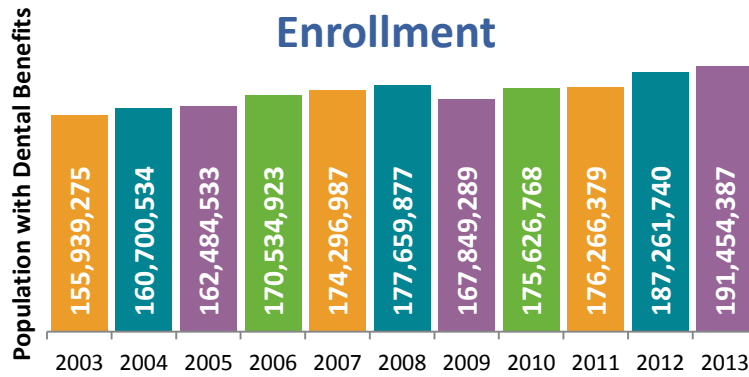
Texas

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

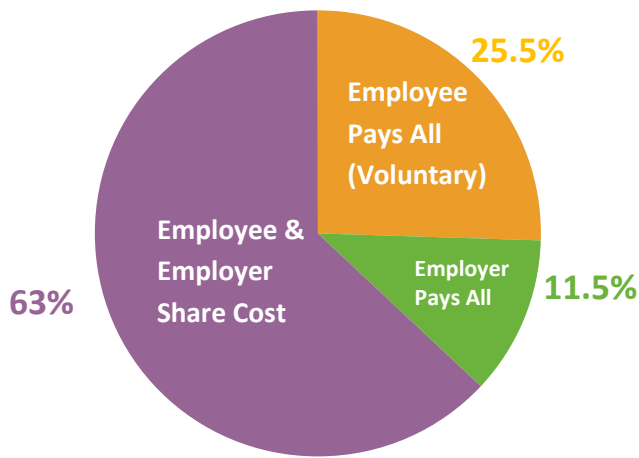
State Enrollment

An estimated 14,658,762 residents, 55% of the population, have dental benefits in Texas.

Private Plan Enrollment	
Plan Type	Enrollment
DHMO	1,057,385
DPPO	9,851,441
Indemnity	324,572
Other Private	1,250,543
Public Plan Enrollment	
Medicaid/CHIP ¹	2,039,653
Other Public ²	135,168

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

Group Policy Funding

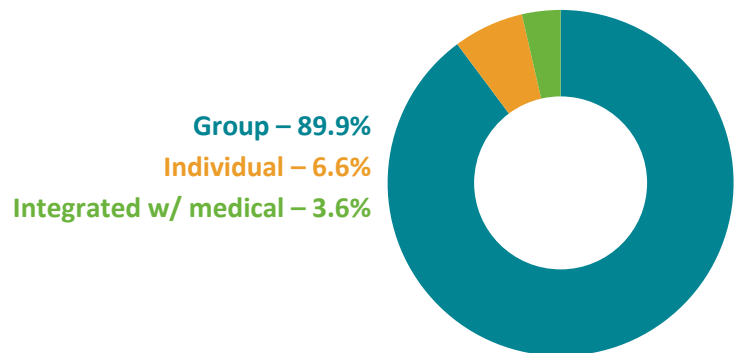


Source: 2014 NADP/DDPA Joint Dental Benefits Report on Enrollment

Distribution of Commercial Benefits: State vs National

	DHMO	DPPO	Indemnity	Other
Texas	8.5%	78.9%	2.6%	10.0%
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

Premium Facts

Texas	DHMO	DPPO	Indemnity	National	DHMO	DPPO	Indemnity
Small Group	\$8.18	\$33.03	\$49.00	All Group Avg	\$18.59	\$32.12	\$24.00
Large Group	\$10.36	\$30.61	\$33.24				

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



Texas 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 12,565 dentists are actively practicing in Texas or 4.75 dentists per 10,000 population.³

Network Type	Total Dentists	General Dentists	Pediatric Dentists	Specialists
DHMO	2,117	1,408	118	591
DPPO	11,604	9,183	605	1,816
Discount	7,907	6,309	393	1,118

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

NADP Members

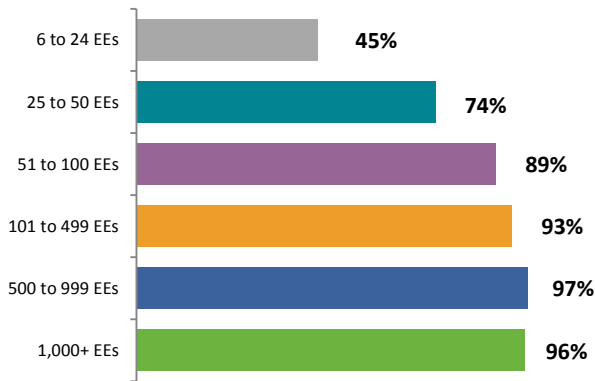
Plan Types Offered by NADP Members



Source: 2014 NADP Membership Directory

Where do Consumers Get Dental Benefits

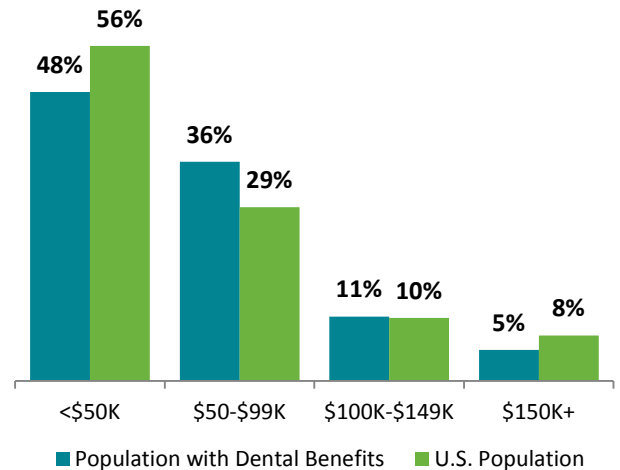
Employers Offering Dental Benefits by Employer Size



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