



January 31, 2017

The Honorable Tom Price  
Secretary Designate  
The Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Secretary Designate Price:

On behalf of our members, the National Association of Dental Plans (NADP) is pleased to share important considerations and offer our expertise about dental benefits as the Administration and Congress consider the Affordable Care Act (ACA) and the possible development of policy alternatives or modifications.

NADP is the largest non-profit trade association focused exclusively on the dental benefits industry, including 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. Dental plans have successfully partnered with individuals, employers and government programs to offer dental benefits that are cost-effective and highly valued by consumers.

Individuals and families are more likely to visit the dentist and seek critical preventive oral services, such as cleanings, when they have dental coverage. Preventive dental care reduces the likelihood of more expensive dental procedures, saving money and reducing the possibility of emergency room visits. There are only two diseases impacting dental: caries (which is the disease that causes cavities) and periodontal (gum disease); both are preventable with early and regular check-ups. Unfortunately, even though caries is preventable, it is the leading disease in children, and is six times more prevalent than asthma. Oral health issues are #7 on the list of top ten most costly health conditions for Americans in 2013 (JAMA). And increasingly, treatment of periodontal disease is being connected to lowering the treatment costs for the two most costly medical conditions, i.e. diabetes and heart conditions. Maintaining dental coverage that is affordable and accessible is important in reducing overall health care costs and improving oral health.

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



As the leading representative of the dental benefits industry, NADP offers for your consideration the following recommendations that should be incorporated into any health care policy proposal:

- **Recommendation 1: Ensure tax incentives for employers and individuals to purchase dental coverage.** Current tax treatment of employer-provided health and dental benefits provides health care savings for millions of Americans and strongly incentivizes employers to offer and employees to maintain efficient and affordable coverage. To maintain access to dental coverage, federal policy should (1) preserve the tax exclusion for employer-sponsored dental benefits, (2) allow employees to purchase dental benefits pre-tax when employers don't fully fund coverage and (3) provide tax deductibility of premiums for families and individuals that purchase dental coverage on their own.

More than 93% of the 157.5 million Americans with private dental benefits receive them through their employer. [Small and large employers](#) offer dental benefits coverage as part of their benefits strategy and to assure the health and productivity of their employees.<sup>i</sup> Consumers are extremely price sensitive to the cost of their dental benefit premiums whether offered through their employer or purchased in the individual market. A 2009 NADP survey of consumers found that if consumers were taxed on the dental benefit premiums they pay for themselves and their families, **54% or 85 million indicated they were likely to drop their existing dental benefits**. Since consumers with dental benefits coverage are twice as likely to visit the dentist, dental visits would drop precipitously. And given that maintaining oral health for adults is critical to lowering costs for treatment of chronic and high cost medical conditions, medical costs would rise further for adults with periodontal disease and diabetes, heart disease, susceptibility to stroke and pregnant women at risk for low birth weight babies.

- **Recommendation 2: Provide choice in purchasing dental benefits for employers, employees and families in group markets.** Under current implementation of the ACA, differences in the way dental benefits can be offered in the small and large group market cause confusion for insurers, brokers and consumers and separate children from traditional family dental coverage. Federal policy should allow dental benefits to be purchased as part of a family policy through a small employer as is done in the Marketplaces and in the large group market. After medical coverage, dental is the second most requested benefit by employees. Employers in the large and small group markets offer dental benefits because of this demand and their knowledge of oral and overall health connections.

Consumers should have equal access to family dental coverage in both the large and small group markets. The inequality in these markets should be [addressed immediately](#) so that the markets can work while any modifications or alternatives to the ACA are developed and implemented.<sup>ii</sup> A bipartisan amendment to the ACA was introduced in the 114th Congress (see link above) making the necessary modification to ensure choice of dental coverage for consumers.

- **Recommendation 3: Ensure continuity of coverage for Marketplace enrollees who purchased private dental coverage.** Marketplaces have been an important avenue for access to individual dental coverage, allowing more than 1.7 million Americans, primarily adults, to gain dental

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coverage through separate dental plans on state and federal Marketplaces in 2016. This was about 13% of all applicants for Marketplace commercial coverage. Any federal proposal to change or eliminate the Marketplaces must provide avenues for current enrollees to continue their private dental benefits and keep their dentist. While the 13% take-up rate is lower when compared to the private employer market, it suggests a consumer demand for dental benefits in the individual market, which we believe would have been stronger if supported by tax credits and incentives.

Currently, when individuals or families with coverage through Marketplaces cancel or change medical coverage, their separate dental coverage is automatically non-renewed even though the individual may want to keep that coverage. The purchase and maintenance of dental coverage on the Marketplaces should be separated from the decision on medical coverage. (NOTE: If Marketplaces are continued in some form, the separation of the purchase of medical and dental coverage would also provide seniors, who do not currently have dental benefits under Medicare, access to the purchase of dental coverage.)

- **Recommendation 4: Assure oral health coverage for children and pass clean legislation to renew funding for CHIP.** For two decades, CHIP has played a critical role in ensuring children have affordable health and dental coverage—and with children’s dental coverage in Medicaid, has helped cut the rate of uninsured children to the lowest level ever recorded. CHIP provides states flexibility in designing their programs that best fit the needs of their population with [ranges of eligibility](#) from 185% to 400% of poverty.<sup>iii</sup>
- **Recommendation 5: Protect the oral and overall health of vulnerable populations by preserving Medicaid coverage for children’s dental services and assuring Medicaid coverage for adult dental services.** More than 50 million Americans have access to dental care through publicly funded programs such as Medicaid, CHIP and to a lesser extent, Medicare Advantage plans. This access is critical to medical cost savings in emergency room visits and in treatment of high cost and chronic medical conditions. [Studies](#) have shown that reductions in emergency room visits for dental conditions can fund about a third of the cost of extending adult dental services in Medicaid in states without any dental services for adults.<sup>iv</sup> Further savings can be derived from [reductions in treatment costs](#) for chronic and high cost medical conditions derived from periodontal treatment for adults with these conditions.<sup>v</sup> Strong consideration must be paid to any impact on oral health treatment that reduced budgets may have on states’ ability to continue these important programs.

In any block grant programs, a specific allocation for dental treatment—for both children and adults—should be specified. This will ensure states understand the oral and overall health connections while retaining the freedom to design and implement their own unique oral health programs. Without an oral health allocation, budgetary constraints could force states to cut necessary dental treatment for vulnerable populations. The short-term savings from insufficient funding for preventive services in the dental office setting would quickly be outweighed by higher cost procedures performed in the emergency room after disease has developed. Provision of oral health services for the adult as well as child Medicaid populations are a key

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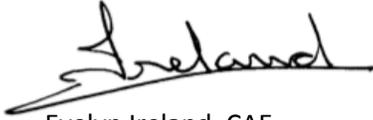
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step to reducing the medical care cost curve. Any set aside for oral health treatment should be indexed over time so that the effectiveness of delivering this treatment is not eroded by inflation.

Thank you for your consideration of NADP's views. We look forward to working with stakeholders to ensure consumer choice and access to dental care in a way that is consistent with NADP's principles—principles that value oral health and the role of the dental benefits industry in improving access to affordable, quality dental care.

Sincerely,



Evelyn Ireland, CAE  
Executive Director

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<sup>i</sup> Dental Benefits Offered by Employer Size (Chart). NADP Employer ACA Implementation Tracking Study, Feb 2016. <http://bit.ly/2jgyP1l>

<sup>ii</sup> Aligning Children's Dental Coverage. NADP Issue Brief, May 2016. <http://bit.ly/2jqv7m>

<sup>iii</sup> Medicaid and CHIP Eligibility Levels. Center for Medicaid and CHIP Services (CMCS). <http://bit.ly/2jSCxQU>

<sup>iv</sup> Nasseh K, Vujicic M, Yarbrough C. Estimating the Cost of Introducing a Medicaid Adult Dental Benefit in 22 States. Health Policy Institute Research Brief. American Dental Association. March 2016. <http://bit.ly/2kg7NZO>

<sup>v</sup> Marjorie K. Jeffcoat, DMD; Robert L. Jeffcoat, PhD; Patricia A. Gladowski, RN, MSN; James B. Bramson, DDS; and Jerome J. Blum, DDS. Impact of Periodontal Therapy on General Health-Evidence from Insurance Data for Five Systemic Conditions. American Journal of Preventive Medicine. Published by Elsevier Inc., August 2014. Volume 47, Issue 2, Pages 166–174. <http://bit.ly/2jS9Se4>

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