



September 12, 2019

The Honorable Nancy Pelosi
Speaker of the House
H-232 The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Senate Majority Leader
S-230 The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
House Minority Leader
H-204 The Capitol
Washington, DC 20515

The Honorable Charles E. Schumer
Senate Minority Leader
S-221 The Capitol
Washington, DC 20515

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

As Congress reconvenes this month, **we urge immediate consideration and passage of legislation to extend the Health Insurance Tax (HIT) moratorium through 2021 to ensure premiums remain affordable for dental benefits consumers.**

The HIT for 2020 would assess and increase dental benefit premiums by approximately 2.2%, which is more than dental premiums have risen in any of the past five years. Employers offering a dental benefit to their employees and families and individuals with dental benefits will bear a financial burden if Congress allows the HIT to resume in 2020.

Imposition of the HIT in 2020 will increase dental benefits premiums. Consumers are price sensitive to premium increases on a benefit that they often pay all or some portion of out-of-pocket. When these increases are combined with medical premium increases, they put pressure on employers and families to drop their dental benefits. Increased dental premiums that employers and families face will be in addition to medical plan premium increases they experience. It is hard to justify these premium increases for no additional benefit under dental policies.

Under the Affordable Care Act (ACA), only pediatric dental benefits were included as an essential health benefit and only in the small group and individual market. There was no general mandate to purchase dental benefits, and tax credits have not been available to consumers that cover their children with separate standalone dental plans on the Marketplaces until this year. Yet, the HIT was levied on the totality of insured dental premium and, in addition some state assessments for operation of the Marketplaces were also levied on carriers' total revenue whether or not they offered coverage on the Marketplaces. For some carriers, these taxes and fees added 5-6% to premium in a period when the cost of dental policies has otherwise been stable.

National Association of Dental Plans

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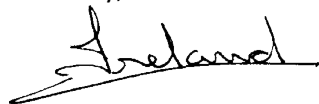


Given the low cost of dental benefits (1/12th of medical), the relatively flat premium increases, and consumer sensitivity to the price of dental products, these taxes and assessments are disproportionate and unfair to dental consumers.

It is for all these reasons that we urge Congress to extend the HIT moratorium through 2021 without delay to provide stability to the dental benefits market. H.R. 1398, introduced by Representatives Bera and Walorski, and S.172, introduced by Senators Gardner and Shaheen, would accomplish this and ensure premiums remain affordable for dental benefits consumers.

The current uncertainty regarding the HIT leaves dental plans in limbo, unsure of how to price their benefits to employers and consumers. Furthermore, as soon as a moratorium is enacted, NADP recommends that congress begin work on passing a moratorium for 2022 and beyond, which will help keep dental premiums flat, as well as provide stability and security to plans, employers, and families.

Sincerely,



Evelyn Ireland, CAE
Executive Director
National Association of Dental Plans

NADP DESCRIPTION

The National Association of Dental Plans, or 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 200 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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