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SELECT COMMITTEE ON ETHICS

United States Senate

WASHINGTON, DC 20510

September 17, 2009

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Charles Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Grassley:

As the Senate Finance Committee continues its work on health reform, I am concerned that provisions contained in the Chairman's mark and in the bills approved by the Senate Health, Education, Labor and Pensions Committee and the House Tri-Committees would disrupt dental coverage for millions of Americans who have coverage and limit the choices for those who are seeking quality oral health care for their families.

The inclusion in health reform legislation of pediatric dental coverage as part of the essential benefits package is an important continuation of our efforts to protect and promote the health of our nation's children. However, these bills bundle children's dental coverage with medical coverage by requiring qualified health plans to offer the whole essential benefits package, whether in the Health Insurance Exchange or in the private market where essential benefits apply outside the Exchange. Consequently, these provisions exclude stand-alone dental benefit carriers—organizations that have decades of experience designing and administering oral health benefits—from directly offering children's dental health coverage.

Today, approximately 97 percent of dental benefits are provided separately from medical coverage by stand-alone dental insurance companies. These carriers have developed the expertise in dental benefits and have built large provider networks, allowing them to offer coverage that is cost-effective and consumer-friendly. The vast majority of Americans with family dental coverage receive it through a stand-alone dental carrier. Health reform should not squander the efficiencies associated with delivering dental coverage to large populations, nor should it deny Americans the choice to select coverage that has worked well.

Under the Chairman's mark, medical carriers will either have to establish new dental provider networks and the additional staff to manage the dental benefit, or they will have to subcontract with stand-alone carriers. Both of these options would add unnecessary administrative costs to the health care bill, inflating premiums and reducing the value of subsidies. The provider networks medical carriers develop would likely be much smaller than the long-standing networks

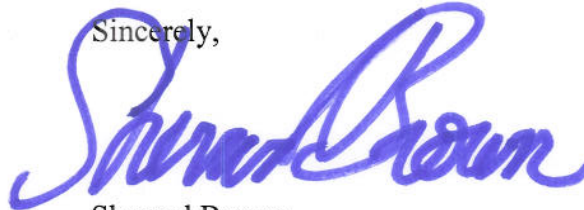
stand-alone dental carriers offer. Smaller networks typically mean increased reimbursement rates; they always mean reduced provider choice for consumers.

If we do not enable stand-alone dental carriers to offer coverage through the exchange, individuals with family coverage would likely be forced to drop that coverage in order to purchase two dental plans – one for children and one for adults, which will result in significant disruption of current dental coverage. And millions of adults are likely to forgo purchasing dental coverage for themselves, instead focusing only on providing coverage for their children. Health reform should not force consumers to piece together dental coverage, nor should it turn back the clock on access to needed dental services.

Finally, there is opportunity here to reduce the cost of quality dental benefits relative to current estimates, which could free up finite subsidy dollars. The premium needed to cover dental benefits should be lower for stand-alone carriers because these carriers benefit from economies of scale and have mature dental claims processing systems, well-established provider networks, and extensive expertise in negotiating the terms of dental provider contracts.

I urge you to allow stand-alone dental benefit providers to participate in the Exchange. If my office can be of assistance in ensuring these providers are incorporated in a manner that achieves access, quality, and cost efficiency goals, please don't hesitate to call me or Eleanor Dehoney from my staff.

Sincerely,



Sherrod Brown
United States Senator