

# United States Senate

WASHINGTON, DC 20510

September 14, 2009

The Honorable Max Baucus  
Chairman  
U.S. Senate Committee on Finance  
219 Senate Dirksen Office Building  
Washington, DC 20510

The Honorable Charles Grassley  
Ranking Member  
U.S. Senate Committee on Finance  
219 Senate Dirksen Office Building  
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

As you pursue bipartisan negotiations on health care reform legislation, we appreciate your continued leadership and commitment to a deliberative process. It is critical that we consider the impact of health reform proposals on beneficiaries and stakeholders alike to avoid potentially harmful consequences of a reformed delivery system. We are concerned that certain provisions in health reform bills approved by the House Tri-Committees and the Senate Health, Education, Labor and Pensions Committee would have a devastating impact on stand-alone dental and vision plans, and encourage your careful consideration of these issues in the Finance Committee.

Both H.R. 3200 and the Senate HELP legislation add pediatric dental and vision coverage to the package of essential benefits, and we applaud the acknowledgement of these important services as basic health benefits. Both bills, however, require qualified health plans to offer the whole essential benefits package, whether in the Health Insurance Exchange or, where essential benefits apply outside of the Exchange, in the private market. By relying on medical carriers for the essential benefits package, these provisions effectively exclude stand-alone specialty carriers like dental and vision plans from offering essential benefits directly.

Today, roughly 97% of dental and vision benefits are provided separately from medical coverage through stand-alone plans that are designed and sold by companies who specialize in these services. These specialists have developed the expertise necessary to provide the highest quality of services including robust benefits, meaningful provider networks, and cost efficiencies gained from experienced management. The vast majority of this coverage is for family benefits. In fact, more than 132 million Americans are enrolled today in family dental benefits through stand-alone carriers. Hundreds of dental benefits carriers already exist and are successfully serving over 176 million Americans' dental and vision needs. Most of these carriers are not affiliated with large health carriers but are smaller local or regional carriers who would be cut out of a market that delivers dental and vision through medical carriers.

We believe it is critical to preserve the structure of these specialized services keeping our promise to Americans that they can keep the coverage and providers they have now. If we alter the business model as current proposals suggest, we face major disruption of services by interfering with the expertise dental and vision benefit companies have developed over the years. For major medical health plans offered through an Exchange to deliver dental and vision benefits, they will have to develop new provider networks or subcontract with specialists, adding additional administrative

costs and inefficiencies. Medical plans are also most likely to focus on health benefits, and will be unlikely to offer the robust benefits and services delivered by stand-alone dental and vision plans. Moreover, we will undermine the advances we have made in enhancing dental and vision health in America as an estimated 22.3 million adults may drop their family dental coverage when their medical plan covers prescribed children's dental procedures.

Stand-alone dental and vision plans should be allowed to compete directly to meet the pediatric dental and vision essential benefits requirements in both the private market as well as in any Exchange. We strongly encourage you to include provisions to ensure that stand-alone family dental and vision coverage in the private market can directly meet the essential benefit requirements and directly offer Americans getting coverage through an Exchange a choice of dental and vision carriers that are experts in this coverage.

Sincerely,



Mary L. Landrieu  
United States Senator