

REPLY TO:

- 135 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1501
(202) 224-3744
e-mail: grassley.senate.gov/contact.cfm
- 721 FEDERAL BUILDING
210 WALNUT STREET
DES MOINES, IA 50309-2140
(515) 288-1145
- 111 7TH AVENUE, SE, BOX 13
SUITE 6800
CEDAR RAPIDS, IA 52401-2101
(319) 383-6832

United States Senate

CHARLES E. GRASSLEY
WASHINGTON, DC 20510-1501

REPLY TO:

- 103 FEDERAL COURTHOUSE BUILDING
320 6TH STREET
SIOUX CITY, IA 51101-1244
(712) 233-1860
- 216 WATERLOO BUILDING
531 COMMERCIAL STREET
WATERLOO, IA 50701-5497
(319) 232-6657
- 201 WEST 2ND STREET
SUITE 720
DAVENPORT, IA 52801-1817
(563) 322-4331
- 307 FEDERAL BUILDING
8 SOUTH 6TH STREET
COUNCIL BLUFFS, IA 51501-4204
(712) 322-7103

February 21, 2014

Maria Martino
Director of Congressional Affairs
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
Hubert Humphrey Building, Room 337H
Washington, DC 20201

Dear Director Martino:

Enclosed please find a communication from Delta Dental of Iowa regarding the recently-proposed 2015 Benefit and Payment Parameters rule.

I would appreciate any assistance you could provide pertaining to this matter. Please mark your return correspondence to the attention of Katherine Mayne when responding to my office.

Thank you for your attention to my request.

Sincerely,



Charles E. Grassley
United States Senator

CEG/km
Enclosures.

Committee Assignments:

AGRICULTURE
BUDGET
FINANCE

RANKING MEMBER,
JUDICIARY

CO-CHAIRMAN,
INTERNATIONAL NARCOTICS
CONTROL CAUCUS



January 30, 2014

Senator Chuck E. Grassley
135 Hart Senate Office Building
Washington, DC 20510

Dear Senator Grassley,

I am writing to urge you to contact the Department of Health and Human Services (HHS) regarding a recently issued proposed 2015 Benefit and Payment Parameters rule that changes how “essential” pediatric dental coverage is offered through stand-alone dental plans in the new Marketplaces. The rule would lower the out-of-pocket maximum for these plans to \$300 for a single child and \$400 for two or more children. This marks a significant reduction from the amounts established just one year ago; a change that will negatively impact the affordability and design of dental plans and ultimately cause more confusion to Iowa consumers.

For 2014, these limits were set at \$700 for a single child and \$1400 for two or more children on federally-facilitated Marketplaces (state-based marketplaces were permitted to set a “reasonable” limit). These amounts balanced consumer protections with affordability and solid product design.

The proposed rule would harm consumers by limiting their access to plans they have chosen due to carriers restructuring plans or exiting the Marketplace altogether. As out-of-pocket maximums are decreased, premiums will increase, making pediatric dental coverage more expensive and less attractive to parents choosing plans for their children. Children with extensive dental needs will continue their coverage, while healthy children drop theirs which will continue to drive prices higher.

We urge you to contact the Department of Health and Human Services (HHS) and ask them to maintain the \$700/\$1400 out-of-pocket limits to retain a balanced approach and avoid disrupting critical pediatric dental coverage. Thank you for your consideration.

Sincerely,

Handwritten signature of Jeff Russell in black ink.

Jeff Russell
President and CEO
Delta Dental of Iowa

Handwritten signature of Suzanne Heckenlaible in black ink.

Suzanne Heckenlaible
Vice President, Public Affairs
Delta Dental of Iowa

Proposed New Out-of-pocket Limits on Stand-alone Dental Plans Hurt Consumers and Competition in ACA-Marketplaces

The Department of Health and Human Services (HHS) recently issued the proposed 2015 Benefit and Payment Parameters rule that changes how “essential” pediatric dental coverage is offered through stand-alone dental plans in the new Marketplaces. Specifically, it lowers the out-of-pocket maximum for these plans from \$300 for a single child and \$400 for two or more children. This marks a significant reduction from the amounts established just one year ago and this change will negatively impact the affordability and the design of dental plans.

For 2014, these limits were set at \$700 for a single child and \$1400 on federally-facilitated Marketplaces (state-based marketplaces were permitted to set a “reasonable” limit). These amounts balanced consumer protections with affordability and solid product design. There are specific ways this change harms consumers:

- **If you like your new dental plan, you will lose it.** Consumers who have purchased dental coverage through the Marketplace will be forced to purchase an entirely different product the very next year. Carriers will either have to completely restructure the plans they’ve sold, confusing new customers, or may opt to exit the Marketplace entirely. In short, customers will lose access to a product they chose and are comfortable with.
- **Poorly structured benefit designs that are bad for the consumer and would not be allowed by many state insurance laws.** Typical stand-alone dental plans are designed with a “prevention first” focus. Redesigned plans meeting these new out of pocket limits would likely feature high deductibles for preventive services. This means children forgoing the crucial services they need. Also, meeting the new limits could mean plans with low levels of coverage for more extensive services (such as root canals) where 90 percent of the service must be paid for by the consumer. Many states don’t deem this to be real coverage and forbid it.
- **Less affordable coverage for consumers with an added level of confusion.** Because the out of pocket maximum dips so low, the premiums to purchase the product will necessarily increase. There is no required purchase of pediatric dental on the Exchanges, so a more expensive product means even fewer children will receive it as parents weigh the costs.
- **Adverse selection.** The only adults who will end up purchasing the product will be parents of children with extensive dental needs. Without a healthy population included, this will only serve to drive prices higher.
- **Restrictive networks.** Across the country, major medical plans are limiting their physician networks to keep costs low. Stand-alone dental plans have the most extensive networks of dentists and consumers are currently able to take advantage of having access to them at reasonable prices in the Marketplace. Lowering the out of pocket limits will mean slimmer networks as stand-alone dental plans try to rein costs in.

We urge you to contact HHS and ask them to maintain the balanced approach - keep the \$700/\$1400 out of pocket limits. There is no reason to disrupt crucial dental coverage at this early stage for so many children who may be receiving it for the first time.