



February 21, 2014

The Honorable Mike Kreidler
Commissioner of Insurance
Attn: Kate Reynolds
Washington State Office of the Insurance Commissioner
P.O. Box 40258
Olympia, WA 98501
Submitted via email to: rulescoordinator@oic.wa.gov

Dear Commissioner Kreidler,

The National Association of Dental Plans (NADP) is responding with written comments to a second exposure draft of amendments to several Washington Administrative Code sections including 284-43-200 on Network Adequacy.

Due to the unique position of stand alone dental plans and dental provider networks, the application of these rules to HIPAA-excepted dental benefits would be unduly burdensome and require significant additional administrative costs for traditionally low premium coverage. We urge the OIC to exclude stand alone dental plans from the application of these rules.

In addition to added administrative costs required to meet the reporting standards outlined, the scope and comprehensive nature of the regulations as intended for medical plans cannot be implemented similarly for stand alone dental plans as several medical procedures and specialties listed simply do not occur or are not available within dental networks. Examples for these include chronic disease conditions, ancillary services, standardized outcome measures and assessment data which are referenced in sections throughout the proposed rule.

Additional background information on network adequacy and dental benefits includes:

- There is no single accepted network adequacy standard within an NAIC Model, state statute or commercial dental plans. While large employers typically specify network requirements for their dental benefit programs, these are highly specific to the employer and geographic area of operation.
- The dental benefits industry comprises primarily DPPO products, wherein customers have the freedom to choose from a variety of dentists both in and out-of-network. The relative network freedom present in the vast majority of dental

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insurance products supports the exclusion of dental plans from the proposed regulations.

- Nationwide, over 80 percent of dentists are general dentists in contrast to about 12.3 percent of physicians who focus on primary care. There are approximately 56 dentists in active practice per 100,000 people in the U.S. vs. 312 physicians per 100,000. As 85 percent of services are delivered by a general dentist in an office setting, immediate and local access to dental specialists is less critical than it is for medical specialists. Children are much less likely than adults to need treatment from a dental specialist requiring network adequacy standards for specialty care.
- To our knowledge, dental plans have not limited networks that support Exchange products, so consumers should not experience any deviation in provider access from commercial products.

The impact of additional costs related to standards and reporting required by the proposed rule for dental plans cannot be overstated. As dental premium is on average 1/12 of a medical premium, any additional costs to administer benefits necessarily result in increased benefit costs and premiums.

NADP greatly appreciates your time and attention to our concerns, and we look forward to future discussions on these critical issues to the residents of Washington. In addition to these comments, we have also attached our Washington Dental State Fact Sheet for your review. Please contact me with any questions regarding these comments at khathaway@nadp.org or 972.458.6998 x. 111. Again, thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Kris Hathaway".

Kris Hathaway
Director of Government Relations

NADP DESCRIPTION

NADP is the largest non-profit trade association focused exclusively on the dental benefits industry, i.e. dental PPOs, dental HMOs, discount dental plans and dental indemnity products. NADP's members provide dental benefits to approximately 90 percent of the 187 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.





Washington

Dental Benefits Fact Sheet

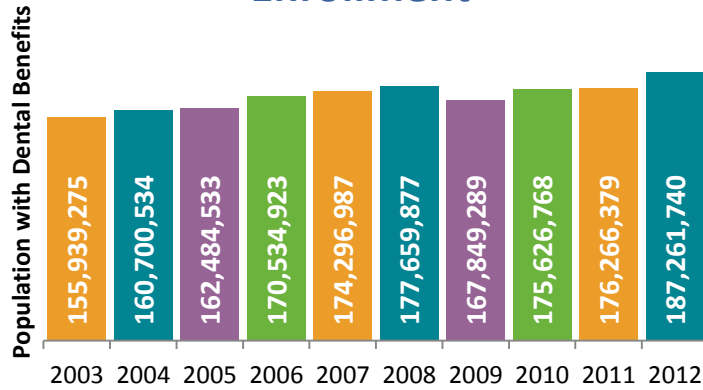


National Enrollment Trends

State Enrollment

An estimated 2,948,156 people are enrolled in a private dental plan from Washington.

Enrollment



Private Plan Enrollment

Plan Type	Enrollment
DHMO	75,389
DPPO	2,495,821
Indemnity	307,418
Other Private	69,527

Public Plan Enrollment

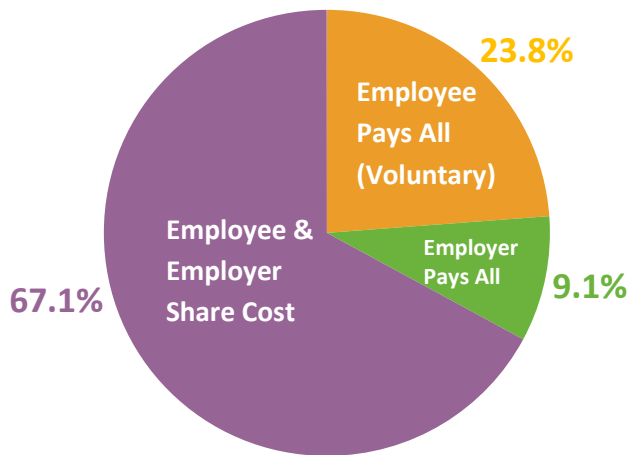
Medicaid/CHIP ¹	29,286
Other Public ²	390,033

Source: 2013 NADP/DDPA Joint Dental Benefits Report on Enrollment

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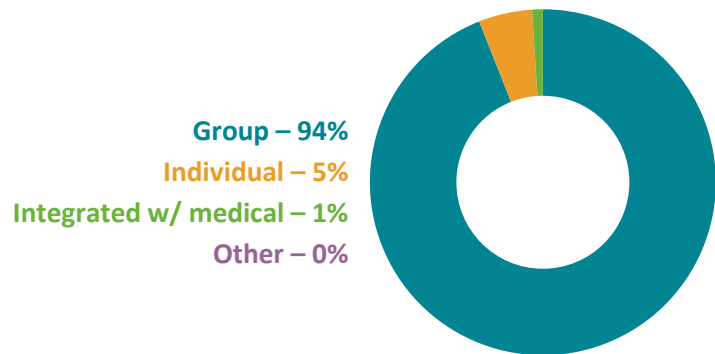
Group Policy Funding

Distribution of Commercial Benefits: State vs National



	DHMO	DPPO	Indemnity	Other
Washington	2.6%	84.7%	10.4%	2.4%
National	8.4%	77.2%	9.0%	5.4%

Sources of Private Dental Coverage



Source: 2013 NADP/DDPA Joint Dental Benefits Report on Enrollment

Source: 2013 NADP/DDPA Joint Dental Benefits Report on Enrollment

Premium Facts

Nationally, premium increases ranged for existing group coverage from 0.2% for DHMO products to 1.5% for DPPO products

Average monthly dental premium per member per month in Washington:
DPPO: \$51.75

¹ Data from the Center for Medicare and Medicaid Services. If 0, then CMS data is not available. ² "Other Public": Includes enrollment in federal and state programs not part of Medicaid

Source: NADP 2013 Dental Benefits Report: Premium and Benefit Utilization Trends, Dec 2013



Washington Dental Benefits Fact Sheet

Workforce

The federal standard for an adequate supply of dentists is 3.33 practicing dentists per 10,000 population.²

According to the American Dental Association 4,278 dentists are actively practicing in Washington or 6.26 dentists per 10,000 population.³

Network Type	Total Dentists	General Dentists	Pediatric Dentists	Specialists
DHMO	336	179	6	64
DPPO	4,463	3,584	186	692
Discount	2,217	1,833	91	289

NADP Members

Plan Types Offered by NADP Members

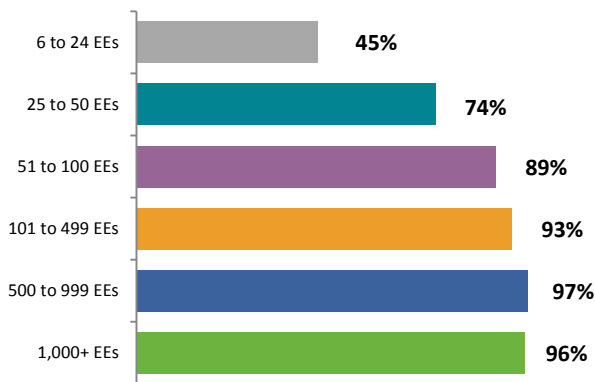


Source: 2013 NADP/DDPA Joint Dental Benefits Report on Network Statistics

Source: 2013 NADP Membership Directory

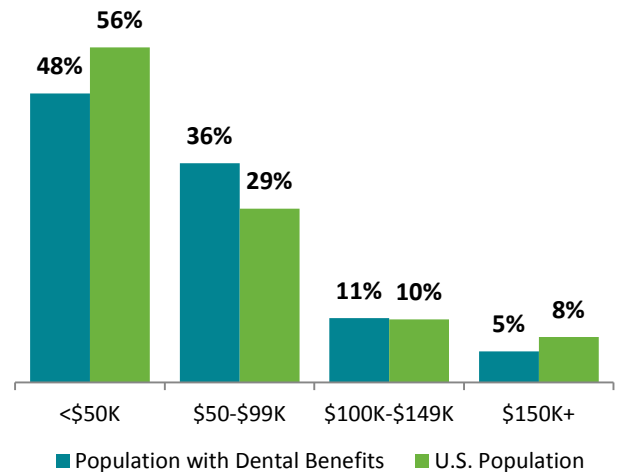
Where do Consumers Get Dental Benefits

Employers Offering Dental Benefits by Employer Size



Who Has Dental Benefits

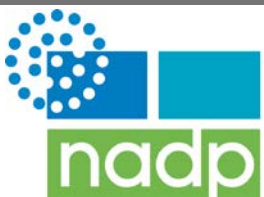
Consumers with Dental Benefits by Household Income compared to General Population



Source: 2013 NADP Purchaser Behavior Survey

Source: 2013 NADP Survey of Consumers

About



National Association of Dental Plans

The National Association of Dental Plans (NADP), a nonprofit corporation with headquarters in Dallas, Texas, is the "representative and recognized resource of the dental benefits industry." NADP is the only national trade organization that includes the full spectrum of dental benefits companies operating in the United States. NADP's members provide dental benefits to approximately 90 percent of the 187 million Americans with dental benefits.

² U.S. Department of Health and Human Services

³ American Dental Association