IOH Article: Interview with National Association of Dental Plans (NADP) on Healthcare Reform Impacts to Dental Benefits

The complexity of our systems: governance, healthcare and insurance tend to fog the understanding of Healthcare Reform. This is very evident in the area of oral health and the dental insurance market and what impact reform will have. Many do not know what is evolving in healthcare reform or the differences in medical and dental insurance coverage. Most provisions impacting dental insurance will not take effect until 2014 and many of the details have yet to be defined. But one thing is clear, dental coverage will change over the next several years in response to healthcare reform. To help clarify what changes are anticipated Mary Young, RDH, MHA with the Institute for Oral Health engaged Evelyn F Ireland, CAE, Executive Director of the National Association of Dental Plans and Kris Hathaway**,** Director of Government Relations, National Association of Dental Plans, in a conversation.

Oral Health Insurance Plans in Healthcare Reform:

IOH: Where is oral health coverage in healthcare reform and why?

Evelyn Ireland: A little history will help explain "why."

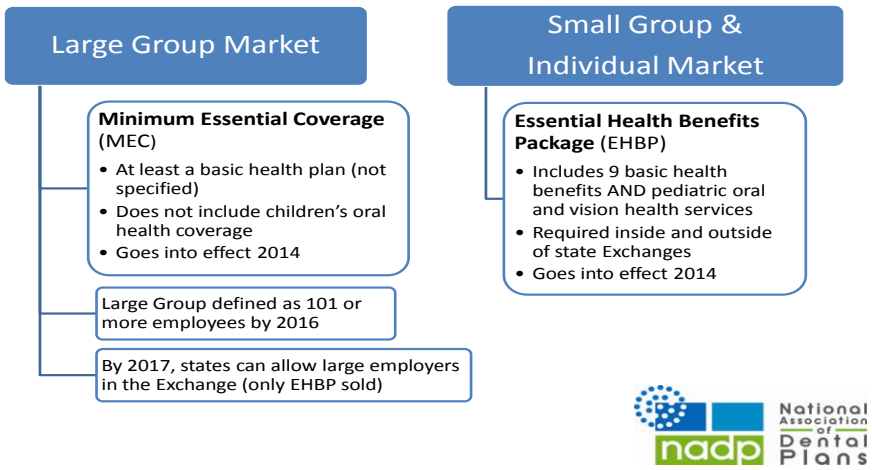
Oral health is incorporated into various provisions of the new Patient Protection and Affordability Care Act (PPACA), largely due to the increasing scientific evidence that oral health impacts overall health. A decade ago the US Surgeon General identified dental disease as a silent epidemic, an epidemic which is mostly preventable. When care is unavailable dental diseases can lead to catastrophic events. This was never more evident to the public than with the tragic death of Deamonte Driver, Deamonte died due to the complications of an abscessed tooth. His death lent reality to the consequences of poor oral health and the lack of access to dental care. The CHIP dental expansion was enacted in 2009 in part due to this case and this was supported by a broad array of dental and consumer groups including NADP.

It takes a bit more explanation to address the "where" in your question. The short answer is that only children covered by policies sold in the individual and small group market are mandated by PPACA to have dental benefits. Here's an explanation of the structure that shows why that is the case.

> Healthcare reform mandates that in 2014 all Americans have a health plan that meets PPACA's definition of Minimum Essential Coverage (MEC). Beginning in 2015 individuals (unless they fall under specific exemptions outlined in the new law) will be required to file a certificate with their taxes certifying they had MEC in the previous tax year. Without the certificate, individuals will pay a fine.
>
> MEC (minimum essential coverage) is broadly defined. Most current large group employer-provided health coverage and public benefit programs (Medicaid, Medicare, CHIP, TriCare & Veterans) have acceptable MEC. However, in the small group and individual market a specific group of benefits is mandated as required coverage, the "Essential Health Benefit Package" or EHBP.

The EHBP package of benefits is where oral health coverage for children is added. It probably helps to know that small group is defined as employers with 100 or fewer employees. However, until 2016 states can define small group as 50 or fewer employees which is a more common in the marketplace.

Not all Americans are mandated to have health coverage that includes oral health services for children. This chart shows the segments of the market that are affected by the addition of oral health services for children in 2014 and beyond:



IOH: Why is the coverage language different between the large and the small market?

Evelyn Ireland: Small businesses and individuals are treated differently under PPACA as this is the market segment where the issues that drove health care reform are most prominent, i.e. lack of available coverage, spikes in premium, rescissions of coverage, and denials based on preexisting conditions.

The small group and individual market will be eligible to obtain coverage through the Exchanges that are created under PPACA. A basic package of benefits was needed to assure that coverage offered through these Exchanges met critical health care needs and applied subsidies and cost sharing provisions on a consistent basis. So EHBP was developed as the basic package of benefits to be offered through Exchanges that begin operation in 2014.

Large employer groups are more likely to offer health coverage today. Coverage is more broadly defined as MEC for the large group market to fulfill the Administration's promise that American's will be able to keep the coverage they have if they currently like it – that would also account for the allowance of grandfathering plans.

IOH: Insurers understand the difference between medical and dental but do other stakeholders?

Evelyn Ireland: Employers, who are the primary purchasers of dental benefits, understand that dental and medical coverage are separate. NADP's last survey of employer groups in 2008 showed that employers commonly offer separate dental coverage and have specific expectations for that coverage.

The big challenge in the debates over health care reform was talking to policymakers who had little knowledge of how the marketplace operated. Federal employees were the last large group to have access to separate dental benefits when FEDVIP (Federal Employees Dental and Vision Insurance Program) was added in 2004. So, most federal employees' impression of dental benefits is what is provided through the most popular Blue Cross Blue Shield plan that incorporates some minimal dental benefits.

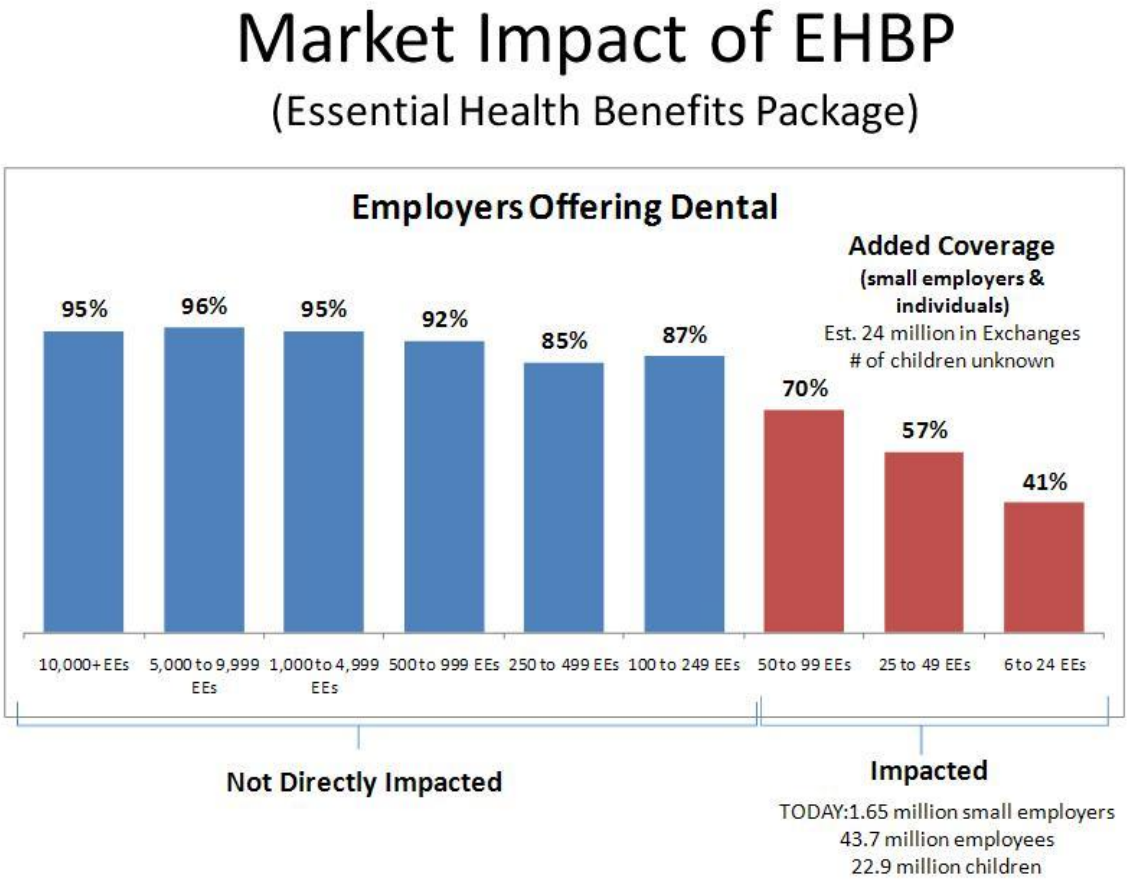
The fact that dental coverage is provided separately from medical coverage for 97% of the dental benefits covering Americans seemed like fiction in this environment. Some policymakers just assumed that even if benefits were separate today, medical and dental plans serving the small business and individual market can simply subcontract to fit the new private market design. This assumption further reflected their lack of understanding of the business differences in providing dental and medical coverage.

Initially, none of the health care reform bills allowed dental carriers to offer the children's dental benefit required as part of the EHBP. NADP and DDPA (Delta Dental Plans Association) collaborated in advocacy efforts and were successful in educating members of the Senate Finance Committee. Senate Finance unanimously passed the Stabenow-Lincoln amendment allowing separate dental policies to offer the children's dental benefit in EHBP, inside and outside of state Exchanges.

However, while the statutory language implementing this amendment was clear about allowing separate dental coverage inside the Exchanges, it has ambiguities with regard to coverage outside the Exchanges. Unfortunately, when the Senate lost their super majority with the passing of Sen. Kennedy and the election of Sen. Brown, the Congressional conference process was bypassed and we lost the opportunity to repair those ambiguities and fully implement the Stabenow-Lincoln amendment.

Therefore, a significant issue remains on how the small group market outside of the Exchanges will be impacted with regard to the dental benefits in place today for families and children. NADP's Employer Survey found that between 40-70% of employers in the small group market offer dental benefits to their employees (see chart below). About 22.9 million children are covered in the small group market through their parents insurance.

In 2014 these children and their parents may have their coverage split with the children's dental coverage embedded in their medical policies. The remedy is to fully implement the Stabenow-Lincoln amendment to allow separate family dental plans to continue to provide the children's dental benefits and meet the EHBP in conjunction with a medical plan that covers the other required benefits.



IOH: What are the ambiguities in the statutory language in PPACA related to dental coverage?

Evelyn Ireland: The key issue with the Stabenow-Lincoln amendment is that outside the Exchanges in the small group and individual market, medical carriers are required to include ALL the coverage defined within the EHBP. This means that any separate dental coverage in this market would duplicate the children's dental benefit in the medical policies. Children with coverage today will not only have to change carriers but may have to change their dentist.

The Pew Center on the States estimates once PPACA is fully implemented, 5.3 million children will gain oral health services of the 17 million children currently without dental coverage. But, as I indicated there are 22.9 million children covered under separate dental policies in the small group and individual market today that may have their coverage shifted from their parent's dental policies to a medical policy. The addition of covering dentally uninsured children is a very positive step in PPACA, but while adding uninsured children to coverage, we also want to ensure that existing family dental coverage is not disrupted.

There is concern that as family coverage is separated in the small group and individual market, parents may drop their own 'family' coverage to cover only their children, not themselves. If parents were to drop their own

coverage, government and industry data both indicate they will visit a dental provider less frequently which may have a negative effect on the oral health of the adult population. And any decline in oral health of adults has the potential to exasperate systemic medical conditions.

Kris Hathaway: So NADP's legislative priority at this time, is to allow separate dental policies, (in conjunction with a medical plan covering all other essential coverage) to meet the Essential Health Benefit Program in the small **group and individual market** outside of the Exchange. The challenge is - this is an election year and opening up PPACA to fix the technical errors is not likely. Like many other interested parties, NADP is working to develop consensus so a technical fix might be added to some other health related bill.

IOH: Separate from the issues with language, what are the current challenges in implantation of health care reform?

Kris Hathaway: Despite its length, there are many grey areas and questions left to be answered within PPACA. These questions will be answered during the federal and state regulatory and implementation process. A key question for dental carriers is how are Exchanges going to operate? What requirements will dental plans have to meet since they are not qualified health plans and cannot offer the whole range of benefits? This is one of the key debates going on at the National Association of Insurance Commissioners (NAIC) today.

NADP is staying very active in this process, taking part in calls and meetings of the NAIC, as well as providing more formal comments to the Departments of Health and Human Services, and other related government agencies.

Evelyn Ireland: Another challenge is not having the details of the benefit design of the children's dental benefit that is part of the EHBP.

The Secretary of Health and Human Services is charged with defining the 10 categories of service that are included in the EHBP. One of the 10 essential coverage areas is pediatric services including dental and vision. What is included in the pediatric benefit will be very important and may impact the design of dental coverage in all markets. The level of children's dental coverage will determine if dental plans will need to supplement the coverage offered to parents.

Until the EHBP is defined, carriers must either wait to develop products for the new market or develop a broad array of options. PPACA does require a survey of typical benefits in the employer market by the Department of Labor to utilize as a reference as HHS drafts the EHBP. But if that survey only asks about medical policies and not both medical and separate dental coverage, a true picture of what is offered in the employer market will not be revealed.

Kris Hathaway: In addition to working on these issues, NADP has also been working with oral health advocates and Senate staff to support appropriations for the multiple oral health provisions included in PPACA, such as education and studies on caries management, prevention, and workforce.