



April 11, 2024

The Honorable Joseph J. Solomon, Jr.  
House Corporations Committee  
State of Rhode Island General Assembly

RE: House Bill 7082 – OPPOSE

Dear Representative Solomon and Distinguished Members of the Committee,

On behalf of the National Association of Dental Plans (NADP)<sup>1</sup>, AHIP<sup>2</sup>, and the American Council of Life Insurers (ACLI)<sup>3</sup>, we appreciate the opportunity to provide comments in opposition to House Bill 7082. As introduced, this bill would create a minimum loss ratio (MLR) of 85 percent for dental benefit plans offered by nonprofit dental service corporations. This bill would create unintended consequences that severely impact access to dental care and benefits for Rhode Islanders. It would lead to increased premiums, reduced use and access to dental services, and a reduction in employer and consumer options for purchasing dental coverage.

### **Dental Plans Differ from Medical Plans**

Dental plans offer a wide variety of products and benefit designs compared with medical plans. Any measurement of a dental plan's value must reflect the fundamental differences between how medical and dental plans are structured, priced, offered, and purchased if it is to be accurate and meaningful to consumers.

Dental benefit plan design differs fundamentally from medical plan design. A dental plan generally manages costs by paying a greater share of preventive services to encourage regular dental visits that can

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<sup>1</sup> NADP is the largest non-profit trade association focused exclusively on the dental benefits industry. NADP's members provide dental HMO, dental PPO, dental indemnity, and discount dental products to more than 200 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.

<sup>2</sup> AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and to help create a space where coverage is more affordable and accessible for everyone.

<sup>3</sup> ACLI is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 275 member companies represent 93 percent of industry assets in the United States.

reduce the need for more costly procedures in the future. Consumers share a higher percentage of the cost for restorative procedures such as crowns, periodontal surgery, and dentures. Higher cost-sharing for certain procedures keeps dental premiums low and affordable. Over the last five years, the industry has had negative price growth in some years and the highest yearly increase was only 2.5 percent.

Dental plan premiums are also on average only 1/20 of medical premiums. For a medical plan, an MLR of 80 percent leaves \$120 per month for the health plan to administer that plan at \$600 per member per month in premiums. An 85 percent loss ratio for a dental plan, such as a large dental preferred provider organization averaging \$30 per month nationally, would not cover the cost of basic plan operations: administration; claims systems; compliance; and state-mandated consumer protections and commissions. If low-cost plans cannot cover their administrative expenses under the 85 percent loss ratio, those plans may be forced to no longer offer plans in Rhode Island or raise premiums to cover increased costs.

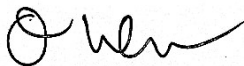
### **Dental Plans and Oral Health**

House Bill 7082 has the potential to dramatically reduce the availability of dental coverage through nonprofit dental service corporations in Rhode Island with negative effects on access to oral health care. Dental coverage is closely linked to the regular utilization of preventive dental care, which is critical to avoiding acute oral health issues and pain. Under a typical dental plan, preventive care is covered at 100 percent cost sharing to incentivize utilization and a regular relationship with a dentist. Regular preventive dental care and cleanings have also been shown to alleviate the effects of inflammation from other medical conditions like diabetes or chronic heart conditions.

Dental insurance has been shown to be highly price sensitive and an increase in premiums may lead to a reduction in dental coverage. Losing coverage often means patients must pay full list price for their dental care and a cleaning may cost hundreds of dollars out of pocket. As a result, many people without dental coverage skip regular preventive services to reduce costs and in the long term this increases their likelihood of developing more serious dental problems. Just one missed cleaning makes a patient more likely to develop cavities, plaque, and periodontal conditions. For these reasons, we oppose House Bill 7082 and urge you not to advance the legislation.

Thank you for your consideration. We look forward to working with you to develop alternative avenues to evaluate the value of dental benefits in Rhode Island.

Respectfully Submitted,



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