

ENSURING DENTAL PLAN TRANSPARENCY

H.3557/S.544: An Act Relative to Transparency of Dental Benefits Corporations

Bill Sponsors: Representative Kevin Honan and Senator Harriette Chandler

The Massachusetts Dental Society seeks to ensure that dental benefits companies are transparent and accountable.

DIVISION OF INSURANCE OVERSIGHT

Background

- The Division of Insurance (DOI) has little to no oversight in terms of dental benefits companies setting fees.
- Most carriers can, unless otherwise stipulated in provider contracts, increase or decrease reimbursement fees whenever they choose to do so. The carriers do not need to take into consideration the impact on patients and providers.

Key Provisions

- To protect both patients and providers from frequent rate changes, this legislation would give the DOI oversight of all dental benefit plan premiums and fee reimbursements. All rate changes would be subject to the review and approval of the DOI.
- This process already takes place for one carrier in Massachusetts. This legislation would ensure all carriers are held to a similar standard.

MEDICAL LOSS RATIO

Background

- Dental benefits companies, unlike health insurance companies, are not held to ratio standards in which they must spend 80% of premium dollars on patient care.
- Due to the lack of ratio standard, dental benefits companies are free to raise premiums while spending less on care.

Key Provisions

- This legislation requires dental benefits companies to submit medical loss ratio data to the DOI.
- The legislation also would require carriers to file annual financial reports with the DOI, including detailing self-funded lines of business.

LEASED NETWORKS

Background

- In dentistry, network leasing or sharing is a mechanism in which a preferred provider organization (PPO) rents its dental network to other PPOs, such that the first PPO's in-network dentists must unknowingly accept patients and terms as an "in-network" provider with other PPOs – even though they have never directly engaged in negotiations or agreed to the new carrier's terms. These participating provider contracts contain a provision, which is not negotiable, that implies consent to any terms the carrier imposes including the leasing of its provider network.
- Dentists may be participating with numerous PPOs without knowing it, often unaware until they submit a claim and receive an explanation of benefits indicating additional terms and restrictions.
- This network leasing raises issues of transparency and lack of choice for the patient, who is unaware of their "out-of-pocket" financial obligations.

Key Provisions

- This legislation prohibits carriers from granting third-party access to a provider network contract or a provider's services and contractual discounts pursuant to a provider contract.
- The legislation also prohibits granting access to dentist discounts under a provider network contract, in order to prevent the improper selling or leasing of these contractual discounts, under what is commonly known as a "silent PPO" arrangement.

The Massachusetts Dental Society urges the legislature to pass ***An Act Relative to Transparency of Dental Benefits Corporations*** to protect consumers by bringing transparency and accountability to dental plans in the Commonwealth.

Questions can be directed to:

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The Massachusetts Dental Society (MDS) represents approximately 5,000 dentists in the Commonwealth of Massachusetts (about 80 percent of dentists). A statewide constituent of the American Dental Association, the MDS is dedicated to the professional development of its members through initiatives in education, advocacy, the promotion of the highest professional standards, and championing oral health in the Commonwealth.