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Division of Insurance

Hearing: July 12, 2018

Testimony of Dr. David Lustbader on behalf of the Massachusetts Dental Society

Docket No. G2018-01

Good morning, members of the Division of Insurance (DOI). Thank you for the opportunity to provide comments on the matter of the methodology for determining fees paid to participating dentists by Dental Service of Massachusetts, Inc. My name is Dr. David Lustbader and I am the Immediate Past President of the Massachusetts Dental Society (MDS). I provide these comments on behalf of the MDS, of which approximately 80% of dentists in Massachusetts are members.

Reducing health care costs while ensuring that patients continue to have access to high-quality dental care requires a delicate balance, and we believe this proposal does just that. Following a close review of the fee methodology proposed by Delta that included independent analysis by a noted health economist, the MDS Board of Trustees unanimously voted to support this proposal.

When only one dental carrier is expected to raise fees every year by the dental CPI, that carrier will eventually be priced out of the marketplace. This is exactly what is happening to Delta today. Two years ago, Delta tried to respond to this pricing issue by creating a new PPO product outside of Chapter 176E that gave Delta more flexibility in setting fees. Faced with a short timeframe to sign provider contracts and the idea of less oversight over the largest dental carrier in Massachusetts, the dental community—including the MDS—pushed back against this new product.

The MDS Board of Trustees views this fee change as a better alternative to the Chapter 175 PPO product. By approving this fee methodology, Delta will remain under full DOI oversight and must come before the DOI prior to any future fee changes.

We recognize that there are dentists here who are opposed to this proposal, but we want to assure them that the Society has done its due diligence on this proposal and, while not ideal, the MDS believes that the new methodology is a good alternative given the economic environment that currently exists. The proposed fee methodology will help stabilize the Premier product for the next 5 to 10 years.

With that being said, the MDS urges the Division of Insurance to carefully review the factors by which Delta will base its future annual updates. Although “economic climate” and “available market and industry information” are important factors to consider moving forward, the general nature of the terminology requires diligent oversight in the future. The MDS Board of Trustees believes Delta will act in good faith when it submits its annual updates, and therefore supports the annual updates proposal.

Thank you for your time in considering the MDS’s comments on this proposal.

Sincerely,

David P. Lustbader, DMD
Immediate Past President
Massachusetts Dental Society