

**ORAL TESTIMONY BEFORE THE JOINT COMMITTEE ON FINANCIAL SERVICES
BY MASSACHUSETTS DENTAL SOCIETY PRESIDENT DR. JANIS MORIARTY**

October 29, 2019

S.545/H.1005 – AN ACT RELATIVE TO FINANCIAL SERVICES CONTRACTS FOR DENTAL BENEFITS CORPORATIONS

S.544/H.3557: AN ACT RELATIVE TO TRANSPARENCY OF DENTAL BENEFITS CORPORATIONS

S.628/H.1082: AN ACT RELATIVE TO DENTAL INSURANCE ASSIGNMENT OF BENEFITS

Good morning. Thank you, Chairman Welch and Chairman Murphy, for the opportunity to testify on legislation that would have significant impacts on dental practices and patients throughout the Commonwealth. My name is Dr. Janis Moriarty. I am President of the Massachusetts Dental Society, and I practice in Winchester. The MDS represents more than 5,000—or approximately 80 percent—of dentists in Massachusetts.

Today, I'm here to speak about *An Act Relative to Financial Services Contracts for Dental Benefits Corporations*, *An Act Relative to Transparency of Dental Benefits Corporations*, and *An Act Relative to Dental Insurance Assignment of Benefits*. The MDS also will submit written testimony that provides additional information on these topics.

An Act Relative to Financial Services Contracts for Dental Benefits Corporations

The MDS supports *An Act Relative to Financial Services Contracts for Dental Benefits Corporations*, which would help ensure that dental benefits companies cannot unfairly shift costs to private-pay patients and dental practices by setting fees for services for which they do not pay providers.

Under current Massachusetts law, dental benefits companies can set reimbursement fees, even for the services for which the dental benefits companies never reimburse—such as veneers, tooth whitening, or other cosmetic procedures. As a result of this unfair and unjustified price cap, the benefits companies force dentists to shift costs to private-pay patients who are, disproportionately, young people, the elderly, and workers whose employers do not offer dental plans.

An Act Relative to Transparency of Dental Benefits Corporations

The MDS also supports *An Act Relative to Transparency of Dental Benefits Corporations*, which would ensure that dental benefits companies are transparent and accountable.

The legislation does this first through Division of Insurance (DOI) oversight. To protect both patients and providers from frequent rate changes, the bill would give the DOI oversight of all dental benefit plan premiums and fee reimbursements. This process already takes place for one carrier in Massachusetts; this legislation would ensure all carriers are held to a similar standard.

Second, this bill would require dental benefits companies to submit medical loss ratio data and file financial reports with the DOI, including self-funded lines of business. Medical loss ratio, or MLR, is the proportion of an insurer's premiums that are spent on medical care or quality improvement expenses to what they spend on administrative costs. Under current law, all medical plans must spend at least 80 percent of patient premium revenue directly on patient care or quality improvement. However, no MLR standard exists for dental plans.

Third, the bill addresses the issue of leased networks. In dentistry, network leasing or sharing is a mechanism in which a preferred provider organization, or 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.

Because of the lack of transparency with network leasing, it creates immense confusion and undue hardship for both patients and dentists. This bill requires carriers to receive express written consent from network providers prior to leasing the network to another carrier.

An Act Relative to Dental Insurance Assignment of Benefits

Finally, the committee is also considering today *An Act Relative to Dental Insurance Assignment of Benefits*. Assignment of benefits is a provision that allows patients who seek treatment from an out-of-network dentist to direct their insurance carrier to directly pay the provider. By instituting this change, patients will have less immediate out-of-pocket expenses, increased choice in providers, and, therefore, more access to care. Without the ability to assign benefits directly to the provider, patients are responsible for all costs upfront; they must submit a claim to the carrier after the fact, then wait an undefined amount of time for a reimbursement check.

The MDS is in full support of the legislature taking action on this issue. However, we believe that the scope of this legislation is too broad, as it tackles issues that are irrelevant to assignment of benefits. Furthermore, the legislation appears to only impose this policy on one carrier rather than all.

The MDS will soon be submitting a draft of assignment benefits legislation, following the approval of the MDS Board of Trustees at its meeting later this week.

If the legislature continues to allow dental benefits corporations to institute policies that put profit over patient care, either the standard of care will drastically lower or the number of dentists operating in the state will drastically decrease. The MDS encourages the committee to prevent insurers from unfairly shifting costs to patients who are least able to bear them. Future dental dollars should serve to expand access to care and not the salaries and profit margins of national corporations and dental management groups. The MDS appreciates your consideration of these important issues.