

TESTIMONY FOR THE JOINT COMMITTEE ON FINANCIAL SERVICES
BY MASSACHUSETTS DENTAL SOCIETY GOVERNMENT AFFAIRS COMMITTEE
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H. 1181 – AN ACT RELATIVE TO INCREASING PATIENT CHOICE THROUGH ASSIGNMENT OF BENEFITS

H. 1182 / S. 632 – AN ACT RELATIVE TO MEDICAL LOSS RATIO REPORTING FOR DENTAL BENEFITS CORPORATIONS

My name is Dr. Andrew Tonelli and I practice in North Reading and Boston. I graduated in 2014 from Tufts Dental school and after completing a residency at New York Presbyterian Hospital and Cornell-Weill Medical Center, in July of 2015, I began practicing in Massachusetts.

Barely a year after beginning practice, after an education that required I accumulate around a half million dollars in debt, we received a letter from Massachusetts' largest dental insurer stating that our fees would be reduced by over 10% from the previous year.

No doubt you have heard the consternation of dentists on this front. That 10% fee reduction ultimately went into effect just before the COVID-19 pandemic closed our offices for three months in spring 2020.

What has become abundantly clear to me in my admittedly few years of practice, is that one of the primary barriers in this state and this country to providing high quality dental care for the broadest swath of the population as possible, now and in the future, is the behavior of dental insurers.

To be sure, they have had to negotiate tighter budgets from their subscribers as medical insurance costs have skyrocketed. But in the six years I have been in practice in Massachusetts, the major insurers have become engaged in a race to the bottom in which the only metric of any value is cost, and have been maneuvering in ways to consolidate their markets, which also serves to make the access of dental care without insurance ever more expensive and, for many, untenable. This has no doubt been a discrete choice.

During the longest stretch of economic expansion in our history not only did our contracted fees not keep pace with inflation—never mind the actual cost of doing business—our contracted fees went down. Each year brings new rules and insults that require us as providers to discount our treatment further. I would be

happy to elaborate on these and we can provide further documentation on this front. The point of all these changes has been to make it increasingly more difficult for the average person to afford dental treatment without insurance.

Whether these maneuvers are strategic, in the interest of self-preservation, or a mere inclination to pursue the base incentives of a corporate business, should be immaterial to this body. The end result of their behavior will be worse outcomes, tempered commitment to improvement or implementation of technology, and a health care service that is increasingly out of reach for so many of those without access to the best benefits packages, as well as those with them.

The Dental Society has tried for years to make urgent the need for the people who represent the populace of the state to understand the state of the dental industry. With so many areas of concern needing attention and reform, it is no surprise that our bills might be overlooked.

But before you now, there are two extremely simple bills. One designed to allow us to review, each year, the percentage of premium paid into insurers that ultimately goes to care, and the other to allow patients to have their benefits directed to their provider regardless of whether that provider is contracted with the insurer.

There is precedent for *An Act relative to medical loss ratio reporting for dental benefits corporations*, as a similar bill was passed in California just over five years ago. A 2018 article published in *Health Affairs*—the premier journal for Health Policy—that evaluated the California data yielded the following conclusion:

“...these results also suggest that millions of Californians appear not to have received good value for their dental insurance premium dollars. A legislatively mandated MLR could offer a remedy and ensure better value for dental products. These results also reveal, however, the complexity of minimally standardized dental insurance marketplaces and the resulting challenge for legislators to create regulatory specificity to inform and protect consumers. Legislators have several policy options to consider in a legislated approach to bringing great transparency and value to the dental plan marketplace.”

Our bill will add to the data, and bring light to these opaque businesses. Very simply, if we are to ever consider setting limits on the rules insurers place on contracted parties, this is a vital first step. It will provide greater insight into appropriate MLR levels for dental products and be an oversight tool to monitor the behavior of insurers over time.

It is even more pressing now, as this past year, across the state, dental practices were closed for three months and dental insurers paid out very little premium during that time as well as the subsequent interval as dental practices slowly rebounded. It should be of interest to the people of the Commonwealth how significant a windfall these entities may have received as a result of our collective hardship.

Our second bill simply allows patients to have their benefits directed directly to their dentist office regardless of whether the dentist is contracted with that insurer. To be sure, the majority of plans in Massachusetts already do this. However, there is one that does not specifically to add an arbitrary

obstacle, to make it more difficult for their subscribers to access their benefits if a provider, reasonably, decides that contracting with that insurer is no longer appropriate. For now, the state abides this behavior. The insurer does it only because they are allowed to. As a practical matter it is often our front desks who bear the brunt of the consternation for this arbitrary inconvenience. It is entirely unnecessary.

During oral testimony, representatives from Guardian insurance insisted, that somehow, these bills would put an undue burden on them, that would subsequently increase the costs of Massachusetts consumers. That defies belief. They were the words of a group that is merely reflexive in their opposition to even the simplest of asks. This would cost them nothing, and little effort, but would make clear that the State and its representatives do actually value the healthcare of its residents.

They also declared that the dental insurance market in Massachusetts is well functioning, and I can assure you that, too, is not the case. It is only so insofar that it ensures the continued profit and power of the insurance providers.

To conclude, I would like to state something, and I submit to you that I truly say this without concern of my possible bias. I feel the fact that I am a dentist has merely allowed to observe the mechanics of our unique little economy closer. There was a time when what I am about to say was not true, but dental insurance no longer provides any discernible value to the provision of dental care. It puts an extraordinary amount of dollars toward its own administration and on top of that puts a massive administrative burden on providers and offices, with ever more complex requirements, ever more arbitrary denials, and an increasingly piggish and priggish view of the professionals who actually deliver the service they proclaim to be the champions of. At the end of the day, dental insurers bring zero actual value to the system. While that remains true, they are increasingly the primary dictator of the ground rules for how providers behave. These bills will do little to change that reality, but they are a needed step.

With that in mind, I wish to invite one, any, or all of the Representatives and Senators on this Committee, to really dig into this corner of the healthcare market. The dental market is a unique one- much smaller than medical – and one where real reform might be possible. We have the confluence of health care, hundreds of local small businesses, increasingly domineering insurers, and all while we have more and more corporate and private equity interests that are shouldering into the space. We have providers carrying significant educational debts, and stuck in the middle we have patients. It should be the utmost interest to you that the system is functioning in a way that does not abandon the patients. I promise you – the next generation of dentists simply want a fair shot to deliver quality care and build up their practices in a market that is not stacked against them. There is so much worth exploring that could have meaningful impacts on broader levels and we need our representatives to be interested in solutions that benefit all relevant elements of the system and don't merely cower to the demands of the most bellicose players.

The two bills before you are very simple first steps. Easy to understand, so obviously beneficial to patients and the citizens of Massachusetts. They provide simple oversight and ease of access. If we cannot get such obviously beneficial bills passed, what's the point?