



April 12, 2016

The Honorable Jay Hottinger  
Chair of the Senate Insurance Committee  
Ohio Senate  
Statehouse  
Columbus, OH 43215

Dear Chairman Hottinger,

On behalf of the Ohio Association of Health Plans (OAHP), I would like to thank you for the opportunity to provide written comments on House Bill 95 (HB 95), legislation that would prohibit health insurers and dental care providers from entering into contractual arrangements that extend to Ohio consumers discounts for services that are not covered under their dental plans.

The Ohio Association of Health Plans (OAHP) is the statewide trade association representing fifteen health plan members providing health insurance benefits to more than 9 million Ohioans. Our members offer a broad range of health insurance products in the commercial marketplace, including dental plans. Core to our mission at the Ohio Association of Health Plans is to promote and advocate quality health care and access to a variety of affordable benefits for all Ohioans.

I write today to express our opposition to HB 95. ***Simply put, HB 95 will cause Ohio dental consumers to pay more for services.***

What is dental insurance? Dental insurance is generally a supplemental benefit and is often part of a comprehensive employee benefits package. It is not comprehensive health insurance. Dental insurance provides thousands of Ohioans with coverage for routine preventive and other dental services. Dental insurance encourages the use of preventive dental services that have been proven to prevent unnecessary dental decay and periodontal diseases. It is a limited benefit and it is designed that way. If a dental benefit is too expensive, employers and consumers won't purchase it. In the dental area, it's important that it's affordable. So price, value and discounts are all important.

To keep coverage affordable, dental insurance plans typically pay benefits based on a negotiated fee schedule within the network, with an emphasis on coverage for preventative services. This means that some non-preventative services are only partially covered or not covered at all. For this reason, unlike major medical coverage, when a dental plan enters into a contract with a dental provider, it is common to negotiate fees, not only for covered services, but also for non-covered services. These fees are made available to consumers as part of their dental plan and are a long-standing practice, enabling consumers to access high quality dental services at a negotiated rate.

First, HB 95 ***will harm Ohio consumers by removing a valuable benefit to them*** – an agreed upon price or discount for non-covered services. If plans and providers are prohibited from entering into contractual arrangements that extend to dental consumers discounts for services that are not covered under their dental plans, ***consumers will face higher health care costs through uncertain out of pocket***

*obligations* – as they will now be required to pay the provider’s full billed charges without the benefit of the fee negotiated on their behalf by their dental plan.

Further, the availability of discounted, non-covered services provides an incentive to consumers to obtain these services from participating providers. *If negotiating these discounts is prohibited, consumers will not only lose a valuable financial benefit offered as part of their dental plan, they may choose to seek services from non-participating providers, which could put upward pressure on fees for services that are covered, or partially covered, under the consumer’s dental plan.*

Second, HB 95 will not only harm consumers financially, but *may also discourage consumers from getting timely preventative and other dental care and may even hamper efforts to coordinate dental care.* The availability of services at discounted charges provides an incentive to consumers to obtain necessary dental care, which plays a role in the consumer’s overall health. Without such financial incentives, consumers may forgo these types of services altogether or at the very least might obtain these types of services in a way that could hamper efforts to coordinate dental care.

Third, HB 95 *interferes with the right to contract as it places the state right in the middle of the legal relationship between two private parties.* A state should not be involved in proscribing contract terms between dentists and dental plans. Private parties should be able to negotiate an agreement that is in the interest of both parties.

Lastly, HB 95 *imposes unreasonable penalties.* The bill makes it an unfair and deceptive act or practice under Ohio’s insurance statutes to set or require insurer approval of fees for dental services that are not covered services as defined under the bill “or making available any plan that sets fees for dental services that are not covered dental care services”. (See lines 485-486). This language doesn’t only infringe upon the right of private parties to contract in a certain way, but makes it unlawful for an insurer to even offer a plan that sets the fees for non-covered services.

*If HB 95 becomes law, Ohio dental consumers will be the ones negatively impacted.*

- They will pay more for non-covered dental services and potentially covered services.
- They will likely experience confusion over their financial obligation for covered and non-covered services.
- Their overall dental health may be impacted.

I urge you to thoughtfully consider the impact that this bill will have on Ohio consumers. *As Ohio families struggle to obtain affordable health care, any legislation that places a heavier financial burden on them for their health care needs to be reconsidered.* OAHP urges you to vote against HB 95.

Again, thank you for the opportunity to comment on behalf of OAHP and its member plans.

Sincerely,



Miranda C. Motter  
President & CEO