

August 17, 2012

Danielle Holahan
Project Director
New York State Health Benefit Exchange
New York State Department of Health
Albany, NY 12257

Sent via email to exchange@health.state.ny.us

Dear Ms. Holahan:

United Concordia Dental appreciates the opportunity to provide comments on New York's selection of an Essential Health Benefit (EHB) benchmark. Our comments focus on the potential inclusion of adult coverage as part of the EHB.

United Concordia Dental is a leading national dental carrier that delivers high-quality cost-effective dental programs focused on improving oral health to 6 million members nationwide including more than 96,000 New Yorkers. Our primary mission is to help improve the oral health of not only our members, but also the communities within which we live and work. Through collaboration with local organizations, groups and individuals, we reach out to our communities to help those in need access dental health care.

While adult dental coverage is not included as one of the ten EHB categories, the Affordable Care Act (ACA) does not limit dental benefits on Exchanges to the EHB requirement (i.e., only pediatric oral services). However, the ACA requires states to defray the costs of state-mandated benefits not covered fully by the federal benchmarks for the consumer or small employer.¹ As noted in Milliman's August 2nd presentation on EHB, the New York state employee plans include dental for both children and adults. If selected as the EHB benchmark, dental coverage could extend to adults as well as children.

United Concordia Dental recommends that *adult* dental coverage be *optional*, not part of the EHB, for several reasons. The first consideration is cost. As Vermont recently concluded, the cost of mandating adult dental coverage *without annual maximums*, critical cost-sharing elements, will be expensive. (Typically, dental plans have annual maximums ranging from \$1,000 to \$2,500 per person.) Even though the federal government will pick up the tab for state-specific mandated benefits in 2014-2015, we suggest that New York carefully consider whether it, consumers and small employers can afford the cost of adult dental without annual maximums in 2016 and future years.

Today, dental benefits are typically sold and purchased as a separate product apart from medical coverage. In the private market (not including public programs), 99 percent of Americans with dental coverage today have a dental benefit policy separate from their medical policy². Only one percent of

¹ Affordable Care Act, Section 131 (d)(3)(B) and Essential Health Benefits bulletin, December 2011, pages 11-12

² 2012 NADP/DDPA Joint Dental Benefits Report: Enrollment, August 2012, page 7, Dallas, TX. Ordering information at nadp.org

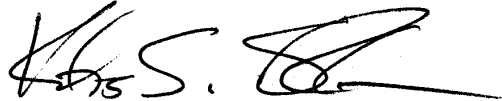
Americans receive their dental under a policy that is integrated (or embedded) with medical coverage. According to the Department of Labor Survey³, the most common commercial (private) dental policy type across all states is the dental preferred provider organization (PPO). These plans typically contain cost-sharing elements that include coinsurance percentages, annual benefit maximums, deductibles, and frequency limitations. PPOs traditionally cover 100% of the cost of preventive services, 80% of basic dental services and 50% of the cost of major dental services rendered by in-network providers.

Selection of a benchmark with adult coverage and no annual maximum will also impact the affordability of dental off Exchange. Consumers and employers generally make decisions about dental plans based on cost, benefits and access to networks. Survey data confirms high price sensitivity to increases in the price of dental plans.⁴

For these reasons and those noted above, United Concordia Dental recommends that *affordable* adult dental coverage be offered as an option, not a mandated benefit, to New Yorkers both on and off the Health Benefits Exchange.

We look forward to future discussions on this and other topics. Should you or any of the New York Health Benefits Exchange staff have any questions, please contact me at kurtis.shook@ucci.com or (717) 260-6983 with any questions. Again, thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kurtis S. Shook', with a stylized flourish at the end.

Kurtis S. Shook
Director, Health Care Reform Exchanges
United Concordia Dental

³ Department of Labor, "Selected Medical Benefits: A Report from the Department of Labor to the Department of Health and Human Services," April 15, 2011

⁴ NADP/DDPA White Paper: "Offering Dental Benefits in Health Exchanges: A Roadmap for Federal and State policymakers", September 2011, page 36, Dallas, TX. Ordering information at nadp.org