



March 10, 2025

RE: House Bill 1481 – OPPOSE

Dear Honorable Senator Lee and Members of the Committee,

On behalf of the National Association of Dental Plans (NADP), we appreciate the opportunity to provide comments in opposition to House Bill 1481. As introduced, this bill would create a minimum dental loss ratio (DLR) of 75 percent for dental benefit plans. HB 1481 would lead to increased premiums, reduced use and access to dental services, and a reduction in employer and consumer options for purchasing dental coverage.

Dental plans offer a wide variety of products and benefit designs compared with medical plans. Any measurement of a dental plan's value must reflect the fundamental differences between how medical and dental plans are structured, priced, offered, and purchased if it is to be accurate and meaningful to consumers. Over the last five years, the industry has had negative price growth in some years and the highest yearly increase was only 2.5 percent.

In North Dakota, dental premiums are on average, about \$33 per month¹ and medical premiums are, on average, about \$708 per month.² At a 75 percent loss ratio, dental plans have just over \$8 per member per month to cover administrative expenses. In contrast, medical plans have \$177 to spend on similar administrative expenses per month. Dental and medical plan administrative requirements are similar and include fast and accurate claims payments, customer and dental provider services, network management, quality control, and consumer protections. The severe limitations placed on administrative resources imposed under the proposed loss ratio would leave consumers with plans that are administered less effectively. This small amount would not cover the cost of basic plan operations for even the most cost-efficient plans. If low-cost plans cannot cover their administrative expenses under the 75 percent loss ratio, those plans may be forced to no longer offer in North Dakota or to raise premiums to cover increased costs.

Dental Plans and Oral Health

House Bill 1481 has the potential to dramatically reduce the availability of dental coverage in North Dakota with negative effects on access to oral health care. According to a 2023 by the North Dakota Health & Human Services Oral Health Program, nearly one in three adults (31 percent) reported no dental visit in the past five years, with more than half of adults who are indigenous (51 percent) reporting the same.³ Dental coverage is closely linked to the regular utilization of preventive dental care, which is critical to avoiding acute oral health issues and pain. Consumers without dental coverage are far less likely to visit the dentist. Data shows that there is significant correlation between dental coverage

¹ NADP, 2024. Dental Benefits Report. ([link](#))

² "Average Annual Single Premium per Enrolled Employee for Employer-Based Health Insurance," Kaiser Family Foundation (2023). Employers typically contribute about \$613 per month while employees typically contribute about \$95 per month.

³ North Dakota Health & Human Services Oral Health Program, 2023. Oral Health in North Dakota Opportunities and Need to Promote Oral Health Equity ([link](#))

and visiting the dentist for regular, preventive exams, x-rays, and cleanings. Under a typical dental plan, preventive care is covered at 100 percent cost sharing to incentivize utilization and a regular relationship with a dentist. Regular preventive dental care and cleanings have also been shown to alleviate the effects of inflammation from other medical conditions like diabetes or chronic heart conditions.

As a voluntary benefit most commonly offered as an employee benefit, dental insurance is highly price sensitive and an increase in premiums may lead to a reduction in dental coverage. Losing coverage often means patients must pay full list price for their dental care and a cleaning may cost hundreds of dollars out of pocket. As a result, many people without dental coverage skip regular preventive services to reduce costs and in the long term this increases their likelihood of developing more serious dental problems. Just one missed cleaning makes a patient more likely to develop cavities, plaque, and periodontal conditions. For these reasons, we oppose House Bill 1481 and urge you not to advance the legislation.

We believe there are alternatives that would provide transparency for consumers and more appropriately evaluate the value of dental benefits. The NCOIL Dental Loss Ratio model⁴ would allow the Department of Insurance to assess the appropriate loss ratios for plans while empowering the Department to take corrective action when a plan is inappropriately low. This model provides all the necessary data to ensure optimal transparency with the ability to remediate outlier plans.

Thank you for your consideration. We look forward to working with you to develop alternative avenues to meet the needs of North Dakotans.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bianca", with a stylized flourish at the end.

Bianca Balale
Director of Government Relations
National Association of Dental Plans

NADP is the largest non-profit trade association focused exclusively on the dental benefits industry. NADP's members provide dental HMO, dental PPO, dental indemnity and discount dental products to more than 200 million Americans with dental benefits. Our members include the entire spectrum of dental carriers: companies that provide both medical and dental coverage, companies that provide only dental coverage, major national carriers, regional, and single state companies, as well as companies organized as non-profit plans.

⁴ [NCOIL Medical Loss Ratios for Dental \(DLR\) Health Care Services Plan Model Act](#)