

Dental MLR – Responding to Opposition “Claims”

THE CLAIM

Dental insurers claims that providers are “against” administrative costs.

THE TRUTH

Dentists support “patient-centered” administrative costs and necessary money spent to provide high quality dental plans – MLR merely provides real incentive for dental insurers to become more efficient.

THE CLAIM

Insured patients currently have excellent access to dental care.

THE TRUTH

Many patients struggle to afford dental care, even with insurance.

- ADA member dentists regularly see patients who are unable to afford their dental care despite having insurance.
 - Insurance companies earn more money when they deny care. There is currently no disincentive to refuse to pay for care.
 - Most dental plans currently have an annual maximum benefit that is insufficient to cover major unforeseen dental care needs, leaving patients to bear the costs.
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THE CLAIM

Dental insurance is different from medical insurance, with slimmer profit margins, and can’t meet the same standards.

THE TRUTH

Dental carriers are making plenty of profit and their CEOs earn millions every year. They shouldn’t be doing so on the backs of dental patients.

- The principles of transparency, value and access to care are the same for dental insurance as they are for medical insurance. Regardless of the type of healthcare, patients deserve to know that the premiums they or their employer are paying are being spent on actual care.
 - We would gladly support additional policies to improve dental insurance for patients.
 - In the meantime, this is a sensible policy that would improve value and access for dental patients.
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THE CLAIM

A large portion of dental premiums go to administrative costs, which is good for patients.

THE TRUTH

A large portion of dental premiums go to administrative costs, which takes away from patient care.

- Delta’s data confirms what we already knew: In some plans, nearly half of premium dollars are spent on non-patient care expenses.
 - Excessive spending on executive salaries and corporate profits does not support patients.
 - Delta is selectively sharing information about individual and small group plans. Most insured patients are covered by large group plans, where the overhead costs can be much lower – if the insurance carrier is motivated to hold them down.
 - Insurers will be held accountable to a fair MLR across all lines of business. Focusing only on individual and small group plans is misleading.
 - We know dental insurers can meet the proposed MLR standard because many already do. MLR legislation would bring the others in line.
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THE CLAIM

“Rebates are self-defeating and cost too much to generate.”

THE TRUTH

Experience with MLR rebates for medical insurance demonstrate that rebates can be efficiently issued.

- For most plans, employers are paying most of their employees' premiums. Issuing rebates does not require a multitude of checks to individual members on those plans. It requires larger, consolidated rebates issued to employers.
 - Many, if not most, rebates will be issued as discounts or credits on insurance premiums, eliminating the need to mail checks.
 - The primary purpose of MLR laws is not to force companies to issue rebates. Rather, the goal is to incentivize companies to pay for needed patient care.
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THE CLAIM

To adjust to MLR laws, dental insurers will be forced to reduce or eliminate plans offered, or raise premiums, leading to poorer care for consumers.

THE TRUTH

If dental insurers leave states with MLR laws or raise patient premiums, they are making a choice to do so.

- Medical insurers made these claims when Congress was debating the Affordable Care Act. However, they have remained profitable and competitive.
- Many dental insurers already meet the proposed MLRs, demonstrating that it is possible to be both compliant and profitable.
- Dental insurers' threats to raise premiums rather than control administrative spending demonstrates clearly that insurers prioritize profits over oral healthcare.
- We can include language in the model that requires state approval for the insurers to raise premiums above a certain level (e.g., beyond dental services' consumer price index).