

HB 1481

Testimony in Opposition

Al Berg

Employee Benefit Risk Advisor

Servicing Employers throughout North Dakota

30+ Years Experience with Dental Insurance

Design, Bid, and Enroll dental plans covering several thousand employees.

Discuss “Pain Points” dentists have with dental insurance.

Concerns of Dentists



Reduced Fees if
joining network

Will they gain or lose
patients?



Coverage denied or delayed



Administrative time and expense



Insurers gain further control over
reimbursements and covered services

State of the “Union”

Relationship between Dentists and Insurers is “challenging.”

Hasn't always been that way.

Dental Service Corporation

Developed between Dentists
and BCBSND.

Virtually all dentists in ND
participated.

Reimbursements were close to
Retail.

Back in the Day

Chairs were filled with new and used mouths.

BCBSND was good administrator.

Win/Win/Win for Employers, Patients, and Dentists.

Plan Design

Diagnostic & Preventive 100%

- Exams, Cleanings, X-Rays, Fluoride

Basic 80%

- Fillings, Endodontics, Periodontics

Major 50%

- Crowns, Bridges, Dentures, Oral Surgery

Pays up to \$1,000 - \$1,500 per person.
Orthodontics can be added.

What Dental Insurance is Designed To Do

Get people in for preventive oral care

- No cost to patient

Assist with Major Services

- Make cost more manageable for costly procedures
- Plan pays half; Patient pays half

Half Full or Half Empty?

Testimony from Dentist for HB 1481

“I have this discussion far too often with many of my patients. Once treatment options have been viewed and determined for the patient’s best interest, they bring up the same question, ‘How much does my insurance cover?’ It is a very difficult discussion to have. It often is the determining factor for their dental care, not what the best clinical choice for their body is. All this money spent for dental coverage, yet very little is paid by the insurance company toward treatment. This situation, unfortunately, leads to delayed treatment, or sometimes, no treatment at all.”

What Dental Insurance Does . . . and Doesn't Do

Pays for Preventive Care

Assists with Major Services

Proposed
Legislation
Will Not –
Cannot –
Change
Payment

Insurance pays according to **terms of contract.**

100/80/50 is the “sustainable balance” learned from experience.

Dental Insurance is very price sensitive.

What Happened with Dental Insurance in North Dakota?

The World came to North Dakota.

New employers came to the state . . .
along with their benefit plans.

Plan designs were/are the same:
100/80/50

Reimbursements were at Wholesale for
those on an *Out-of-State* dental plan.

In State vs. Out-of- State Plans

Most dental plans with ND employers pay out-of-network claims based on what majority of dentists charge for services.

Over many years, complaints are minimal for in-state plans.

Some plans in a few other states have punitive reimbursements for non-participating dentists.

NDDA is right in uniting against the overreach of some out of state dental plans.

Results of Proposed Legislation

Large employer plans will be unaffected.

- Enough “Economies of Scale” to meet 75% loss ratio requirement.

Insurance companies will withdraw from small group dental market.

- Won't meet loss ratio rules.
- Comparison of Medical and Dental loss ratios is a false equivalency.
- Groups of 100 or less will not have option for dental insurance.

Results of Proposed Legislation

“Excess Profits” will not go toward cost of care.

- Plan pays according to terms of Contract.

Will not affect plans with out-of-state insurers.

- NDID does not have jurisdiction over plans maintained by employer based in another state.

Solution in Search of a Problem

ND Dental Insurance market is very competitive.

- Insurers make a reasonable profit for administering the dental plan, and brokers are paid for marketing and servicing it.
- No margin to fund “high executive salaries and shareholder dividends.”

Dental market is self-correcting.

- Charge too much and the group can move to another company.

Solution in Search of a Problem

Commissioner Godfread:

“Dental plans function differently than medical plans. They are designed to emphasize preventive care, with higher cost-sharing on major procedures to keep premiums low and maintain affordability. A rigid MLR requirement could disrupt this balance, leading to higher premiums and reduced plan choices.”

“Based on the data that (our department) has shared with the committee, most of North Dakota’s dental insurers—including the two largest in the state—are already operating at or near an 82% loss ratio. Given this data, we are struggling to identify the specific consumer harm that this bill aims to address. What tangible problem is being solved? Without a clear justification, this legislation seems to add administrative burden without clear consumer benefit.”