

Alex Young

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Re: Senate Bill 2375 – Oppose

Dear Chairman Lee and Members of the Senate Human Services Committee:

On behalf of the American Council of Life Insurers (ACLI), we appreciate the opportunity to share our concerns with SB. 2375 that permit for the joint negotiation provider contracts between two or more dentists and the insurer. We respectfully oppose the bill due to the administrative burden and consumer impact.

Dental Is Different

Dental insurance is fundamentally different than medical insurance. A dental plan manages costs by paying a greater share of preventative services to encourage regular dental visits that can reduce the need for more costly procedures in the future. Consumers share a higher percentage of the cost for restorative procedures such as crowns, periodontal surgery, and dentures. Higher cost-sharing for certain procedures keeps dental premiums low and affordable. Dental plan premiums are also on average only 1/20 of medical premiums. In North Dakota, dental premiums are on average, about \$33 per month. Therefore, dental plans can be very sensitive to increases in administrative costs.

Joint Contract Negotiations

Allowing providers to negotiate nearly every aspect of the provider-plan relationship would impede several internal processes put in place to protect consumers and providers, including claims review. Claims review protects patients from waste, fraud, and abuse which could harm their oral or overall health with serious long-term implications. The National Health Care Anti-Fraud Association estimates that dental fraud, waste and abuse costs approximately \$12.5 billion, or 5% of total spending on dental care in the U.S. each year. Allowing for the negotiation of utilization management criteria and procedures, clinical practice guidelines, and definitions of medical necessity and other conditions of coverage would significantly reduce the ability of dental plans to protect patients, leaving them more susceptible to waste, fraud, and abuse. Preserving this patient protection is paramount because most patients are unable to determine whether waste, fraud, or abuse has occurred. Patients rely on these processes to ensure that any services performed are necessary and appropriate.

Providers currently maintain the right to negotiate their contracts, including terms and fee scheduled. Many of the contract elements outlined in SB. 2375 are already necessitated by state

law or industry practice. Additional changes to individual contracts would prove administratively burdensome to plans and providers, which could result in higher costs for consumers. The American Dental Associations contract negotiation guide advises that contract negotiations should be conducted individually, between the dentist and plan, and not with or on behalf of other dentists¹. For these reasons we believe that SB. 2375 would not be good for the insurance market, accessibility, and consumer cost.

Best,

A handwritten signature in black ink, appearing to read "Alex Young". The signature is fluid and cursive, with the first name "Alex" and last name "Young" clearly distinguishable.

Alex Young

¹ ADA, Contract Negotiation Guide - [link](#)