



NADP[®]

NATIONAL ASSOCIATION OF DENTAL PLANS

“the representative and recognized resource of the dental benefits industry”

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August 31, 2006

Citizens' Health Care Working Group
7201 Wisconsin Ave, Ste. 575
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Attn: Interim Recommendations

The National Association of Dental Plans (NADP) appreciates the opportunity to provide comments and information relating to the Working Group's Interim Recommendations which include dental health as part of the core set of health services.

In finalizing your report and recommendations, NADP recommends that any core package of benefits that includes dental be structured in a manner that provides for delivery of dental benefits by free-standing dental plans focused on this market.

NADP is the largest non-profit trade association representing the dental benefits industry. Our 70 dental plan members serve over 111 million of the 163 million Americans with dental benefits. These benefits include Dental HMOs, Dental PPOs, Dental Indemnity, Discount Dental Plans, Medicaid and Medicare throughout the United States. Our members include major commercial carriers, Delta and Blues plans, as well as regional and single state companies. (A list of member companies is attached.)

SUPPORT for Recommendation: Dental benefits are most effectively provided by dentally focused companies--especially when networks of dentists are involved. Dental benefit companies understand and accommodate the differences in the dental and medical care delivery systems. Some key differences are highlighted in attached fact sheets.

According to statistics compiled by the Nation Health Center for Statistics in its' National Health Interview Survey having dental coverage is the single greatest factor in determining whether a person sees a dentist¹. People with dental benefits coverage are

- ◆ almost twice as likely to visit a dentist in any given year (2.6 vs. 1.7 visits per year),
- ◆ far more likely to have multiple dental visits in a year (45% vs. 28%), and
- ◆ more likely to have had a checkup during their last visit rather than treatment for a specific problem (48% vs. 30%).

The impact of dental coverage on access to dental services is most evident when looking at the behavior of older Americans and lower income Americans:

- ◆ Adults over 75 with dental benefits average 4.3 dental visits annually while those without coverage average only 1.4.
- ◆ Americans with dental coverage earning under \$10,000 annually average 2.9 dental visits a year compared with only 1.2 for those without.

Citizens' Health Care Working Group

August 31, 2006

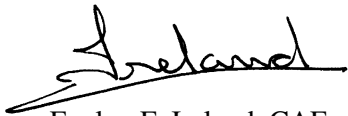
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Increased dental office visits translate to better oral health for millions of Americans as they gain access to a host of preventive and basic restorative services. And as research increasingly linksⁱⁱ dental disease--especially advanced gum disease--with heart attacks, stroke and low birth weight, the impact of oral health on overall health and reduction of costly health problems is becoming clearer.

The charge to the Working Group is daunting. The hours of hearings, review and analysis that the Working Group has contributed to the analysis of the American system of health care is commendable. NADP stands ready to assist in completing your task by providing information about dental benefits and operation of the dental benefits industry from the numerous studies that we publish. (List attached.)

We look forward to providing additional information that the Working Group requires.

Sincerely,



Evelyn F. Ireland, CAE
NADP Executive Director

ⁱ <http://www.cdc.gov/nchs/fastats/dental.htm>

ⁱⁱ Linkages do not equate to causation. However, provision of periodontal treatment to high risk populations has been found to reduce health costs in these groups.

Dental is Different...the dental care delivery system is separate from that of health care.

- ◆ About 81%¹ of dentists are general practitioners in contrast to the 15% of physicians who are in general practice.
- ◆ The American Dental Association recognizes eight dental specialties (including General Dentists), while the American Medical Association recognizes 23 medical specialties.
- ◆ Except for Oral or Maxillofacial Surgeons, dentists do not generally have any affiliation with a hospital.
- ◆ Some 64.3% of dentists are in solo practice with the balance practicing in a group setting².
- ◆ Most dental care is delivered in an office setting which is relatively low cost compared to medical care, particularly hospital care.

Dental is Different...the scope and treatment of dental disease is limited.

- ◆ Dental disease primarily involves tooth decay and gum disease.
- ◆ Dental disease is generally not acute or life-threatening. Hospitalization is rarely needed, usually only in response to a patient's medical condition which are usually covered under medical plans.
- ◆ Many dental procedures are elective or are choices between equally effective alternatives that vary widely in cost. For example, a crown can be an option where a filling would be an acceptable treatment.
- ◆ Many dental services can be repeated if a satisfactory result is not achieved. For example, a crown can be redone, while many medical procedures are irreversible.
- ◆ In medicine there are objective, science-based medical standards and measurements. For dental, there are limited parameters of care but no widely accepted measurable benchmarks.

¹ Source: ADA Survey Center, *Distribution of Dentists in the United States by Region and State*, 2003.

² Source: ADA Survey Center, *2003 Survey of Dental Practice*.



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Summary of Coverage for Dental Benefits

Today, nearly 163 million Americans¹ are covered by some form of dental benefit through employer-sponsored group plans or other group or individual plans including government programs. This represents about 55% of the population of the United States. The 2005 national enrollment level represents a 2.0% increase over 2004.

About 97% of all dental benefit policies are group plans which are purchased or sponsored by employers, associations or unions. Dental benefits are rarely sold directly to an individual although focus on the individual market is increasing. Today just over a third of NADP's member companies offer individual policies of dental benefits.

Many dental plans categorize dental services into three classes of service although there are 7 basic areas of dental care:

- Class I – Preventive (office visits, x-rays and cleanings)
- Class II - Minor (e.g. fillings)
- Class III - Major (e.g. crowns and root canals)

Depending on the type of dental benefit, (Dental HMO, Dental PPO, or traditional indemnity coverage), premiums for dental benefits are about the cost of a good dinner out per month, ranging from \$180 to \$336 yearly or \$14 to \$30 monthly. Fees for Discount Dental plans may be lower than or within these ranges.

Dental HMOs usually have no deductibles and no annual maximums. DHMOs have varying co-payments based on these classes. Class I will usually have no co-payment. Class II may have a low dollar co-payment and Class III will have a higher dollar co-payment.

When the plan is involved in reimbursement—DPPO or Dental Indemnity, it usually pays a benefit as a percentage based on the class of service. The most common percentage reimbursement for dental PPOs and Indemnity plans is 100/80/50. These are the benefit reimbursement percentages for Classes I to III respectively. Co-payments are the remaining percentages; however for DPPOs, the co-payment is based on the negotiated fee which is usually lower.

About 60% of the dental benefit plans that are in place today have annual maximums in the \$1000 to \$1499 range. While this may seem low compared to medical, the Association for Healthcare Research and Quality (AHRQ), indicates that only 55% of the costs incurred by an insured patient (about \$559 annually) is paid by the dental benefit plan. While dental benefit companies offer higher maximums to employers, it is not cost effective for the employer or consumer to buy higher maximum policies since only 5% of Americans with dental benefits ever exceed their annual maximum.

¹ SOURCE: 2006 NADP/DDPA Joint Dental Benefits Report: Enrollment
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Summary of Coverage for Dental Benefits (continued)

There are seven basic areas of dental care that policies cover.

1. Preventive care includes the procedures that prevent the occurrence of dental disease. Examples include routine office visits for exams, x-rays and **prophylaxis** (teeth cleanings).
2. Restorative care which is done to restore a tooth back to its normal form and function. Examples include **fillings** and **crowns**.
3. Endodontics deals with the disease of the inner tooth and the tissue that surrounds the tooth.
An example of an endodontic procedure would be **a root canal**
4. Oral Surgery is the treatment of the mouth, jaw, teeth and related structures. Examples include tooth removal and minor surgical procedures such as a **tissue biopsy** or the drainage of minor oral infections.
5. Orthodontics is the treatment that corrects misaligned, crowded or crooked teeth. Examples include **braces** and **retainers**
NOTE: Orthodontics is usually an addition or a rider to a dental benefit program and not usually a benefit.
6. Periodontics is the treatment of the hard and soft tissues that support and surround the teeth.
Examples of periodontics would be **root planing** and **scaling**.
7. Prosthodontics is a specialty that limits itself to the restoration of the natural teeth or the replacement of missing teeth.
Examples include **dentures** and **bridges**



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NADP Research Reports

2006 NADP/DDPA Joint Dental Benefits Report: Enrollment

To provide current information about the prevalence of dental benefits in the population of the United States, the National Association of Dental Plans conducts an annual survey of its membership and other dental benefit providers. The NADP has been collecting this information since 1994 and the findings in this report draw on this history. This report contains specific information on Dental HMO, Dental PPO, dental Indemnity, and Discount Dental enrollment at the national and state level and Direct Reimbursement and publicly funded benefits at the national level.

2005 NADP Purchaser Behavior Study

The results of this survey of employers provides tremendous insight into the characteristics of companies with and without dental benefits; the role of brokers in the purchasing process; desired plan features, member services and support; the effect of brand loyalty and cost-sensitivity; and trends toward shifting benefits costs to employees

NADP/LIMRA 2005 Group Dental Metrics

In an effort to provide a more comprehensive report and to reduce the requests for data from NADP member companies, NADP and LIMRA International teamed up to publish a joint report on Contact Center and Claims Processing Metrics. This report is more comprehensive than past NADP reports on Operational Metrics and provides a deeper level of analysis.

2004 Dental Benefits Report: Financial Operations

To provide current information about the financial condition of the dental benefits industry, the National Association of Dental Plans conducts an annual survey of its membership and other dental benefit providers to assess the financial condition of dental benefit providers.

2005 NADP Dental Benefits Report: Premium Trends

To provide current information about the cost of dental benefits, the National Association of Dental Plans conducts an annual survey of its membership and other dental benefit providers to assess the trends in dental benefit premiums.

2005 NADP/DDPA Dental Benefits Joint Report: Network Statistics

This report is the fourth edition of a joint report created from the combination of NADP's industry-wide dental benefits industry statistical data collection and DDPA's collection of data from Delta Dental member companies. Our purpose in producing this report jointly is to create the best estimate of dental provider networks, by state, possible for our respective memberships and the public.

NADP/DDPA 2005 Dental Benefits Joint Report: Enrollment Model

This report forecasts national, regional and state dental benefits enrollment by product (HMO, PPO, and Indemnity) through 2007. The National Association of Dental Plans (NADP) and Delta Dental Plans Association (DDPA) have jointly released this report.

NADP Member Companies

Aetna Dental	Fairfield	NJ	Group Health Inc.	New York	NY
Affordable Family Health Services	Atlanta	GA	GroupLink, Inc.	Indianapolis	IN
Altus Dental Insurance Company	Providence	RI	Guardian Life Insurance Co. of America, Inc	New York	NY
American Dental Alliance, Inc.	Honolulu	HI	Health Resources, Inc.	Evansville	IN
American Dental Professional Services	Milwaukee	WI	HealthPartners, Inc.	Minneapolis	MN
AmeriPlan USA Corp.	Plano	TX	HIP Health Plan of New York	New York	NY
Ameritas Life Insurance Corp.	Lincoln	NE	Horizon Healthcare Dental	Newark	NJ
Appleton Dental Plan	Scottsdale	AZ	Humana Dental	Green Bay	WI
Assurant Employee Benefits	Edina	MN	Kaiser Permanente Dental Care Program	Portland	OR
Atlantic Dental, Inc.	Coral Gables	FL	Liberty Dental Plan of California	Irvine	CA
Avia Dental Plan, Inc.	Pittsburgh	PA	Lincoln Financial Group	Omaha	NE
Best Life & Health Insurance Company	Irvine	CA	MetLife	Basking Ridge	NJ
Blue Cross Blue Shield of MA	North Quincy	MA	National Guardian Life Insurance Co.	Madison	WI
Blue Cross Blue Shield of MI	Southfield	MI	Nippon Life Insurance Company	New York	NY
Blue Cross Blue Shield of NC	Durham	NC	Premera Blue Cross	Seattle	WA
Blue Cross Blue Shield of RI	Providence	RI	Principal Financial Group'	Des Moines	IA
Blue Cross Blue Shield of TN	Chattanooga	TN	Protective Marketing Enterprises, Inc.	Birmingham	AL
CIGNA Dental & Vision Care	Plantation	FL	SafeGuard Dental and Vision	Aliso Viejo	CA
Citizens Security Life Insurance Co.	Louisville	KY	Security Life Insurance Company	Minnetonka	MN
Community Dental Services (Smile Care)	Santa Ana	CA	Shenandoah Life Insurance Company	Roanoke	VA
CompBenefits Corporation	Roswell	GA	Southland National Insurance Corporation	Tuscaloosa	AL
Delta Dental of MO	St. Louis	MO	Standard Insurance Company	Portland	OR
Delta Dental Plan of MI, IN, OH	Okemos	MI	Starmount Life Insurance Co.	Baton Rouge	LA
DENCAP Dental Plans	Detroit	MI	Total Dental Administrators	Salt Lake City	UT
Denta-Chek of Maryland, Inc.	Columbia	MD	Trustmark Life Insurance Company	Lake Forest	IL
Dental Care Plus Group, The	Cincinnati	OH	United Concordia Companies, Inc.	Harrisburg	PA
Dental Economics, LLC	Sugar Land	TX	UnitedHealthcare Dental'	Concord	CA
Dental Health Services of America	Seattle	WA	Washington Dental Service	Seattle	WA
Dental Network of America, Inc.	Oakbrook Terrace	IL	WellPoint Dental Services	Camarillo	CA
Dental Select	Salt Lake City	UT	Western Dental Services, Inc.	Orange	CA
DentalPlans.com	Dania	FL	Willamette Dental Insurance, Inc.	Beaverton	OR
DentaQuest	Boston	MA			
Dominion Dental Services, Inc.	Alexandria	VA			
Educators Mutual Ins. Association of UT	Murray	UT			
First Dental Health	San Diego	CA			
Florida Combined Life Insurance Company	Jacksonville	FL			
GE Wellness Plan	Schamburg	IL			
GEHA	Independence	MO			
Group Dental Service	Rockville	MD			