

**Health Care Task Force
October 4, 2011**

**Testimony of
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Mr. Chairman, and Members of the Task force:

On behalf of Delta Dental of Idaho, I would like to express my appreciation for the invitation and opportunity to provide your Health Care Task Force with a few comments relative to the important topic you have asked that we address concerning development of an insurance or health benefit exchange for the State of Idaho.

As a preliminary matter I would like to provide you with some information as to Delta Dental's role in providing health care benefits for Idaho's citizens and the importance of dental health care, in particular.

- Delta Dental of Idaho is unique in Idaho's health care community.
 - It is a non-profit corporation, organized under Chapter 34, Title 41, Idaho Code, whose mission is to improve the health of Idahoans through access to quality dental treatment.
 - Delta Dental is not an insurance company, but is a professional service corporation under Idaho law and a recognized provider of quality and affordable dental healthcare services. It is regulated or supervised by the Idaho Department of Insurance.
 - Unlike an insurance company, Delta Dental's participating dentists, by statute, as well as by their service agreements with Delta Dental, assume a direct obligation to the Delta subscribers to furnish dental services to Delta Dental subscribers in accord with Delta's subscriber benefit plans.
 - Delta Dental takes its obligations of a non-profit enterprise seriously and recognizes its need to affirmatively contribute to the state. In pursuit of this obligation,

- it has been a leader in assisting in furthering public awareness of the necessity of early education concerning good oral health and engaging in community programs to further good oral health practices, particularly for Idaho's children; and
- Has worked to enhance advanced professional education. Most recently, the Delta Dental Residency Clinic opened on the Idaho State University campus in Meridian, Idaho. This was made possible through a major public-private partnership between Delta Dental and the University, using financial funding from Delta Dental, together with state funds, which will assist Idaho dentists with their continuing educational needs, as well as complementing the role and mission of Idaho State University as Idaho's health care educational institution.

With that background, I would like to address the specific issues upon which you have asked us to specifically comment.

1. What is your organization's stance or view on the conceptual idea of insurance exchanges?

It is the position of Delta Dental of Idaho that the creation of a state health benefit exchange has the potential of being a valuable tool to enable individual Idahoans, as well as Idaho's small businesses, to evaluate their health benefit needs. Such an Exchange, if properly structured and implemented, should provide an open marketplace where health care benefit plans may be offered in a way which makes benefits and costs of such plans, and the components of those plans, transparent to the consumer. This marketplace should enhance, but not replace, the competitive market which exists for such plans today.

2. Do you favor a state exchange or a federal exchange and why?

Healthcare is delivered locally and it makes sense that exchanges be developed based on our local needs. State regulation or supervision of health benefit plans is also local. A "one size fits all" program, particularly

when managed by a central federal agency, cannot be as immediately responsive to, or as cognizant of, the needs of the population in a more rural state such as Idaho. It is, however, important that the mechanics of such a state exchange have the ability to adjust its operation, if necessary, to meet requirements that will permit avoidance of a federal intervening exchange over which Idaho would have little, if any, control.

3. What provisions do you feel would be important in a state exchange?

Understandably, most of the discussion to date has been on the provision of medical insurance in the exchanges. Because of Delta Dental's dental specific mission, it is important that the differences between medical and dental benefits need to be addressed as a state exchange is being developed.

Of vital importance, essential benefits to be offered on the state exchange must include dental benefits specifically directed for children.

- Dental disease is preventable. If children receive dental sealants, cavities can be reduced by over 70% and eliminate many future increased costs of dental care¹. Children unfortunately often have difficulty learning in school due to the pain caused by dental decay..
- While tooth decay decreased in children age two to 11 between the early 70s and mid-90s, recent data shows a small but significant increase in decay that is more severe in younger children, low-income populations and minorities².

Recognizing that dental policies are offered and purchased separately, it is important for "stand-alone" dental plans to be active participants in the Exchanges, just as it is commonly done in the commercial market today³.

- Dental benefits vary significantly from traditional medical insurance that is offered to purchasers. About 85% of employees pay all or part of the costs of their dental coverage⁴. Only one percent of dental policies are purchased by individuals, currently⁵.

- In the private market (not public), roughly 98% of Americans with dental coverage today have a dental policy that is separate from their medical policy. Only about 2% of Americans get their medical and dental policies integrated into one policy from the same carrier⁶.

There are three provisions that are important in a state exchange relating to improving the oral health for the 44% of adult Idahoans⁷ without dental benefits:

1. It will be important that the purchase of dental benefits that exists in the current marketplace, as stand-alone dental benefits, continue to be reflected in how dental benefits are purchased in the exchanges.
2. Supplemental dental coverage for adults should be offered alongside the essential “pediatric oral services” so parents have access to family coverage and are not discouraged from obtaining such coverage. Science has shown that there are many linkages between periodontal disease and diabetes, heart disease, and low birth weight children thereby helping to reduce the costs of treating these medical conditions.
3. Multi-line carriers should be allowed to offer medical-only policies so that consumers have the range of options the current market offers today and are not forced to purchase dental coverage when they already have it.

What things should the state avoid?

The state should avoid creating any requirements in the exchange that minimize any of the competition that exists in the current market. While there is significant competition between dental carriers in Idaho, there is not much competition between medical carriers.

1. Medical carriers should be allowed to **offer their medical benefits separate from dental carriers** in order to ensure that more competition is created within the exchange, not less competition.
2. The costs to the consumers should also be **“transparent”** so that the consumer can choose the best dental plan at the most

competitive rate. This means that the rates for medical coverage and dental coverage should be listed separately on the exchange. This would also allow the medical carriers to offer dental benefits that mirror the current benefits in the marketplace with plan limitations such as an annual maximum, which minimize the costs of the dental plan. If medical carriers include dental benefits together with medical benefits, there will be no annual maximums allowed on dental coverage according to the Affordable Care Act requirements.

Conclusion

Dental plans are a key component of improving the overall health and wellness for Idahoans. Exchanges can help ensure that dental coverage is maintained and that Idahoans without dental benefits can access quality, affordable oral health options.

Respectfully Submitted by:

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Endnotes

¹Delta Dental Plans Association, NSAC 2007

²"Dental Caries (Tooth Decay) in Children (Age 2 to 11)", Improving the Nation's Oral Health, National Institute of Dental and Craniofacial Research, U.S. Department of Health and Human Service

³ACA Section 1311 (d)(2)(B)(ii)

⁴"NADP/DDPA 2010 Dental Benefits Joint Report: Enrollment", October 2010

⁵NADP 2008 Consumer Survey

⁶ACA Section 1302(b)(1)(J)

⁷Idaho Behavioral Risk Factors: Results from the 2009 Behavioral Risk Factor Surveillance System. Boise: Idaho Department of Health and Welfare, Division of Health, Bureau of Vital Records and Health Statistics, 2010.