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## Preventing Cost Shifting Within the Delivery of Dental Care

***H.981/S.422 – An Act Relative to Financial Services Contracts for Dental Benefits Corporations***

*Bill Sponsors: Senator Harriette L. Chandler & Representative John Scibak*

### Issue

The Massachusetts Dental Society ("MDS") represents approximately 4,800 dentists in the Commonwealth of Massachusetts, or about 85% of the dentists in the state. The MDS wants to ensure that dental benefits companies do not unfairly shift costs to patients and dental practices by setting fees for services for which they do not pay providers. *An Act Relative to Financial Services Contracts for Dental Benefits Corporations* adds Massachusetts to the ranks of 30 other states that have outlawed such practices.

The dental benefits that many Massachusetts residents receive through their employers are simply not insurance, but instead function like a pre-paid gift card. The benefits are limited to covering only certain procedures and have an annual maximum of coverage, usually around $1,500. If the patient requires a procedure that is not covered or she has reached that annual maximum, she pays the same usual and customary fee paid by all other patients. The dental practice is thereby able to spread fixed costs across the entire patient population. Major insurers have now, however, proposed limiting the fees a dentist may charge for services not covered under the policy.

Policies that allow dental benefits companies to set fees for services for which they do not pay providers are also known as "non-covered services policies". These policies set a cap on the amount that a participating dentist can bill a patient for services not covered under the plan (i.e., dental implants), thus setting a maximum allowable fee on non-covered services. In cases where the patient has exhausted her/his yearly benefits, these policies also restrict the provider to a fee set by the dental benefit company instead of allowing the provider to charge the usual and customary fee (i.e., the plan is sufficient to cover two, but not three crowns).

Allowing such a policy forces dentists to shift costs to other patients and increase fees for private-pay patients who pay out-of-pocket for care, in order to maintain the quality of their dental practices. These private payers are often elderly people or young adults with limited employment and sources of income, or low-income workers whose employers do not provide dental benefits. Private-pay patients will suffer the greatest financial burdens of these policies. These individuals will be forced to subsidize the care of the small number of patients who rarely reach their annual maximum in order to protect the bottom line of the dental benefits companies.

### Resolution

Last session, the House and Senate enacted *An Act Relative to Financial Services Contracts for Dental Benefits Corporations*. This legislation requires that "No contract for the provision of healthcare services or benefits with a registered dentist shall require that such dentist provide dental services to a covered person at a particular fee unless said dental services are services for which the company provides payment under the applicable group or individual policy of accident, sickness or health insurance." This language would not apply to existing contracts and would therefore not change the provider networks for any insurer currently contracting for this provision. While the Governor did not sign the bill last session, the Massachusetts Dental Society respectfully urges the Legislature to enact *An Act Relative to Financial Services Contracts for Dental Benefits Corporations* and send a message that Massachusetts will not allow benefits companies to unfairly shift costs in order to protect their bottom lines.