



## Mandated Assignment of Benefits Legislation March 19, 2015 Testimony

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Northeast Delta Dental is a well-established 501(c)4 non-profit, tri-state entity comprised of the Delta Dental Plans of Maine, New Hampshire, and Vermont. The three Delta Dentals have been significant providers of dental “insurance” to the people of Northern New England since the late 1970s and today cover over 800,000 people in the tri-state region. Northeast Delta Dental has established for itself a reputation of community support and involvement, including providing over a quarter of a million dollars to the tri-state area through the Delta Dental Foundation in 2014 alone.

Delta Dental Plan of Vermont currently provides coverage to just under 170,000 Vermonters, including the employees of the State of Vermont and their family members.

Examples of support for programs in the State of Vermont by the Delta Dental Plan of Vermont in 2014 are: the \$55,700 granted to Vermont causes by our Foundation, over \$84,000 provided to the Headstart Program, over \$156,000 given to support community endeavors in the state, and \$20,000 provided to the Vermont Educational Loan Repayment Program (AHEC) for dentists. In addition to this, we have been strong supporters of the Vermont Health Exchange (VHC) by not only making products available on the Exchange, but also by working closely with the State during the continuing difficult roll-out.

Delta Dental prides itself on being the only provider of dental coverage in the state which has both public and dental members equally represented on its Board of Trustees. Our “Delta” logo, the triangle, means that when our management and Board make decisions, they are daily reminded that dentists, purchasers, and the employees of businesses purchasing our coverage are all equal partners of our customer base and the entire company; the Trustees strive to keep that triangle in balance.

I am here to testify today against any legislation that would mandate “Assignment of Benefits” (AOB) be enforced on any carrier in the State of Vermont. We believe that any such legislation starts to shift the triangle unfairly away from the interest of the consumer, the people of Vermont, and will increase the cost of dental care incurred by them by creating an environment that takes away a significant incentive for a dentist to participate, thus leaving the dental office to charge, and collect, for procedures or fees that otherwise would not have been billable to the patient. This runs counter to what we hear often from state and federal government officials who often talk about the need to manage the cost of health care in Vermont and the United States. Governor Shumlin recently renewed his promise to find ways to manage health care costs, and it was not that long ago

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that I attended a couple of seminars put on by Senator Sanders where he asked people to come and testify why they were not receiving the dental care they needed; more often than not, the answer was cost.

Dentists are free to decide if participating with Delta is in their interest or not. In most cases it is; 87% of Vermont dentists were participating with Delta Dental of Vermont at the end of 2014 and, for the record, 92% participate with the Delta Dental Plan of New Hampshire.

Sometimes it is not in the interest of the office to participate with Delta Dental, and we at Delta Dental understand that and understand they must be free to make their own decisions. But we do not believe it is in the interest of the Vermont consumers for the State of Vermont to support legislation that, ultimately, works against the people of Vermont, and so Delta Dental stands opposed to AOB legislation.

Why do dentists participate with Delta Dental? A significant reason, as was just recently related to me by one of our Board Trustees who is a dentist, is the fact that Delta Dental sends the check directly to him. As he said, "Why would I agree to participate in your network, with its fee restrictions and in-office reviews, if you'd still send the check directly to me as a non-participating dentist?" The fact that the Delta Dental Plan of Vermont Board of Trustees, *including all the dentists on the board*, support our opposition to any AOB legislation indicates their recognition that said legislation would only encourage dentists not to participate with Delta Dental.

How do the Vermont consumers benefit if the network of dentists shrinks due to dentists feeling they too need not "agree to fee restrictions" and the other network requirements because by being assured of receiving payment, due to AOB, they feel comfortable in resigning? A smaller network means it is more difficult for patients to find dentists who are willing to work as partners with Delta Dental to help manage that cost of health care that everyone agrees needs to be addressed. If patients cannot find participating dentists, with the non-participating dentist assured of receiving the check from Delta Dental, that leaves the dentists free to charge his or her patients whatever the market will bear. For those Vermonters who struggle just to make ends meet, the end result can become they simply cannot afford to receive the care they need. An April, 2014 article by Wendell Potter, a contributor to *healthinsurance.org*, noted

For every adult without health insurance, an estimated three lack dental insurance, according to the Kaiser Family Foundation. And with the cost of dental care continuing to increase faster than the rate of inflation – and faster than all medical services except hospital and nursing home care, according to the Bureau of Labor Statistics – more and more Americans are risking their health by skipping trips to the dentist. Others are leaving the country to get the care they need.



You have heard that 87% of Vermont dentists and 92% of New Hampshire dentists were participating with Delta Dental at the end of 2014 (current numbers are comparable). Clearly, even with any fee restrictions or office review restrictions the overwhelming number of dentists in these states are able to provide proper dental care to all their patients. There are fee restrictions for certain with participation, and that is part of what they willingly have agreed to in order to partner with Delta Dental to help manage the cost of dental care in the state, and in return Delta Dental agrees to always send the check directly to them.

This joint agreement is all part of Delta Dental's efforts, with the help of its participating dentists, to keep the Delta Dental triangle in balance. That balance helps its participating dentists make a fair wage while also managing the cost to the purchasers of dental coverage from Delta Dental and to the employees of those business that have entrusted us to help them manage their costs. It has worked for the 38 years I have been with Delta Dental, it has worked for the businesses and the people of Vermont, and it has worked for the dentists who for those 38 years have never suggested the need of AOB legislation while successfully practicing and receiving a fair income. In 2013, the last year for which I can find statistics, my read of the US Labor Bureau's wage report for Vermont general dentists showed them having the 3<sup>rd</sup> highest average wage in the country, surpassed only by New Hampshire and Delaware. All in the triangle have benefited.

We believe there is no problem that needs to be fixed. We acknowledge that we cannot please all our customers; we do not sell every group we bid on and we do lose business due to our price. There will always be some dentists who believe it is in their interest not to participate with Delta Dental, and we believe that legislation that works to make it easier for dentists to not participate with Delta Dental at the expense of the consumer does not serve Vermont consumers.

Lastly, in Maine where there is existing AOB legislation, which was passed many years ago, the participation rate of dentists with Delta Dental at the end of 2014 was only 78%. We believe the existence of AOB plays a significant part in this.

Thank you.