

The Honorable Virginia Milkey  
Health, Long-Term Care & Retirement Issues Committee  
National Conference of Insurance Legislators  
Vermont State Senate  
115 State Street  
Montpelier, VT 05633-5301

**RE: Proposed Model Act Banning Fee Schedules for Uncovered Dental Services**

Dear Representative Milkey:

MetLife respectfully opposes a proposed model act, to be considered by the Health, Long-Term Care & Retirement Issues Committee of the National Conference of Insurance Legislators (NCOIL) during its November 20 meeting. This proposal, if enacted, would permit dentists to disregard fee discounts for certain services that are part of their contractual agreement with insurers, leading to higher costs for dental patients and interfering with a dental plan's ability to enter into contracts with dentists.

In reviewing this proposed model act, we ask you to consider the following:

**The Proposal** – The proposal to be considered by the NCOIL Health, Long-Term Care and Retirement Issues Committee states that no contract between a dentist and an insurer may set a fee for a dental service unless it is a “covered service.” It would seem to affect only those instances where an insurance policy would not pay for the service that is being provided. Actually, the effect is more far-reaching, resulting in higher costs to the patient.

**The Reality** – In fact, dental insurance provides a meaningful benefit to insureds even when specific services may not be covered. MetLife network dentists agree to a fee schedule (typically at discounted rates) in order to be part of the network. A feature that insureds count on is that they are charged these discounted rates when they visit a network dentist, whether or not the policy pays a benefit. By entering an insurer's network, a dentist typically increases the number of patients in his or her practice – contributing to the growth of the practice. This proposal would permit dentists who accepted the discounted fee arrangement and have grown their practice to now increase patient out-of-pocket costs by eliminating network discounts.

It is now common knowledge that good dental health is critical to overall health. The increase in consumers choosing dental insurance coverage is contributing to better dental and overall health – and, increased visits to dentists. This proposal could slow that trend.

There are many reasons why an insured may need access to a particular service that may not be “covered.” These include:

Ø Services provided to a patient who has exceeded the annual maximum benefit for that calendar year. (To maintain affordability, dental insurance generally has an annual maximum benefit, often of \$1,000, which covers the typical annual dental bills for most insureds. Extensive dental care may exceed the \$1,000 annual maximum.)

Ø Services in excess of the frequency limit in the plan. (For example, most dental plans cover two cleanings in a year. If a patient wanted a third cleaning, that would not be covered.)

Ø Cosmetic procedures, which are not medically or dentally necessary, and thus not covered by a dental insurance policy.

Ø Services that may be performed by a dentist, but are specifically excluded from the plan of coverage.

**The Impact** – In each of these examples, the patient should still be charged the discounted rate. The discounted rate is a benefit that consumers purchase with dental insurance – and the arrangement that dentists enter when choosing to grow their practice and accept dental insurance as a form of payment. This proposal would eliminate these discounts, causing consumers to pay more out of their pockets.

Given the harmful and costly impact this proposal would have on patients if adopted, we urge the members of the Health, Long-Term Care and Retirement Issues Committee to reject this proposal, and refrain from adopting it as an NCOIL Model Act.

Thank you for your consideration. I will follow-up with you by telephone, but please do not hesitate to contact me should you have questions or require additional information. In addition, my colleagues, Mike Hickey, Tim Ring, and I plan to attend the NCOIL meeting.

Sincerely,

Eric C. DuPont

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