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TESTIMONY OF THE MASSACHUSETTS DENTAL SOCIETY
BEFORE THE JOINT COMMITTEE ON FINANCIAL SERVICES
October 29, 2019

S.545/H.1005 – AN ACT RELATIVE TO FINANCIAL SERVICES CONTRACTS FOR DENTAL BENEFITS CORPORATIONS

The Massachusetts Dental Society (MDS) represents approximately 80% of dentists in the Commonwealth through initiatives in education, advocacy, and promotion of the highest professional standards. As the leading authority on oral health care in the Commonwealth, we take great pride in championing oral health and lending the voice of dentistry to worthy initiatives that can make a difference in the lives of Bay State residents.

The MDS encourages the Committee to support *An Act Relative to Financial Services Contracts for Dental Benefits Corporations*, which seeks to ensure that dental benefits companies do not unfairly shift costs to private-pay patients and dental practices by setting fees for services for which they do not pay providers.

Under current Massachusetts law, dental benefits companies can set reimbursement fees, even for the services for which the dental benefits companies do not actually reimburse, such as veneers, tooth whitening, or other cosmetic procedures. As a result of this unfair and unjustified price cap, the benefits companies force dentists to shift costs to private-pay patients who are, disproportionately, young people, the elderly, and workers whose employers do not offer dental plans.

Historically, dental benefits companies only set fees for services for which they provide payment. That is, if a patient requires a procedure that is not covered by his or her plan, the patient must pay the full, usual, and customary fee paid by all other patients. The dental practice is thereby able to spread fixed costs across the entire patient population.

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." Allowing these policies forces dental providers to shift costs to other patients and increase fees for private-pay patients who pay out-of-pocket for care. 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 suffer the greatest financial burdens of non-covered services policies. These individuals are forced to subsidize the care of other patients with dental plans to protect the bottom line of the dental benefits companies.

This legislation would prohibit dental benefits companies from contractually setting fees for services for which they do not provide payment. It would ensure that no preferred provider arrangement with a health care provider who is a registered dentist would require the dentist to provide services to a covered person at a particular fee unless the services are covered services. "Covered services" means dental services for which reimbursement is available or would have been available had the patient not reached a contractual limitation, such as frequency limitations, annual maximums, etc.

The Massachusetts Dental Society urges the committee to report favorably ***An Act Relative to Financial Services Contracts for Dental Benefits Corporations*** to prohibit dental benefits companies from unfairly shifting costs onto private-pay patients. In passing this legislation, Massachusetts would join the ranks of more than 30 other states that have enacted similar laws.