

March 17, 2021

Co-Chair Senator Matthew Lesser  
Co-Chair Representative Kerry Wood  
Cc: Insurance and Real Estate Committee  
Connecticut General Assembly  
Legislative Office Building, Room 2800  
Hartford, CT 06106

Re: HR 6589, an Act Concerning Third-Party Access to Participating Dental Provider Contracts

Dear Senator Lesser, Representative Wood, and members of the Insurance and Real Estate Committee:

On behalf of the National Association of Dental Plans (NADP)<sup>1</sup>, America's Health Insurance Plans (AHIP)<sup>2</sup>, American Council of Life Insurers(ACLI)<sup>3</sup>, and Insurance Association of Connecticut (IAC)<sup>4</sup> we thank you for the opportunity to provide comments on proposed HB 6589, an act concerning third-party access to participating dental provider contracts.

We appreciate HB6589 recognizes that network leasing is an important practice that creates value for employers, providers, and consumers by expanding carriers' networks. Through leasing arrangements, dentists receive access to new market segments and new patients. Consumers receive the benefits of broader provider networks, from or made possible by leasing, result in lower costs for consumers, both for premiums and cost sharing on dental care services. Dental network leases are key to providing ACA-required dental benefits and meeting state network adequacy requirements for many health and dental plans.

Over the last several years dental associations in several states have raised questions about dental network leasing practices. Dentists have expressed a desire for greater transparency in

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<sup>1</sup> NADP is the largest non-profit trade association focused exclusively on the dental benefits industry. NADP's members provide dental HMO, dental PPO, dental indemnity and discount dental products to more than 200 million Americans with dental benefits. Our members include the entire spectrum of dental carriers: companies that provide both medical and dental coverage, companies that provide only dental coverage, major national carriers, regional, and single state companies, as well as companies organized as non-profit plans.

<sup>2</sup> AHIP is the national association whose members provide coverage for health care and related services to hundreds of millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.

<sup>3</sup> ACLI is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI's member companies are dedicated to protecting consumers' financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI's 280 member companies represent 94 percent of industry assets in the United States.

<sup>4</sup> The IAC is a state-based trade association that represents Connecticut's property and casualty insurance industry and Connecticut's life insurance and financial security industries. Among other insurance-related products, IAC members offer (i) home insurance, (ii) auto insurance, (iii) workers' compensation insurance, (iv) liability insurance, (v) group benefits, (vi) life insurance, (vii) annuities, (viii) retirement plans, (ix) long-term care insurance, (x) disability income insurance, and (xi) reinsurance.

leasing, as well as legislative mandates requiring insurance carriers to allow providers to opt out of network leasing. Because we strive to be sensitive to providers' concerns, we have worked with state dental associations to craft compromise legislation that resolves their issues while also preserving network leasing as a practice, which is beneficial to all parties.

We support provider choice with regard to participation in a carrier's leasable network. In addition to choice, we believe providers should be well-informed about leasing arrangements in which they participate with carriers or leasing companies, and we support efforts to enhance communication between providers and these entities. However, we respectfully request amendments to the bill which we have attached for your consideration.

We are concerned with language in HB 6589 pertaining to leasing opt-out and notification requirements during the contract renewal and amendment process and request that this language be removed. It is important to note that contracts generally renew on an annual basis and that this process often occurs in an automated manner, making the requirements of the bill impractical, operationally challenging, and administratively burdensome to facilitate.

Furthermore, since we believe that dental providers will be sufficient informed of leasing arrangements at the time they enter into contracts with carriers the additional, redundant notifications required at the time the health carrier allows the third party to gain access to the contract should also be removed from the bill. We also request several amendments to conform HB 6589 to laws recently enacted in other states and adopted by the National Council of Insurance Legislators in December 2020. These conforming amendments include the removal of all terms concerning "patient steerage" and the addition of language permitting carriers to deliver information electronically, in addition to in writing. These technical changes improve the bill and expedite notification processes. Finally, we request on that the 30 day advance notice requirement be removed; this requirement is redundant with other notice provisions in the bill and would be difficult to comply with if retroactive terms exist in a contract.

We appreciate the opportunity to share our views, and we are available to answer questions or provide additional information. Thank you again for your attention to this important matter.

Sincerely,



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Regional Vice President  
State Relations  
ACLI



Bernard Peppard  
Regional Director  
State Affairs  
AHIP



Eric J. George  
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IAC



Teresa Cagnolatti  
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