



Are You Ready to Sell Dental Benefits in New Health Care Reform Environment? -Part Three

When the first provisions of the Affordable Care Act (ACA) go into effect in 2014, dental benefits in the *individual and small group markets* will be different. With these changes come new challenges and opportunities for brokers who understand and are prepared for both the **proposed** and **final provisions** of the ACA. *This final article in a three-part series focuses on cost-sharing scenarios. The first article presented an ACA market overview and the second examined various Exchange models.*

To understand possible cost sharing scenarios relating to dental benefits, it is important to first look at the basic foundation of Essential Health Benefits (EHB), which includes pediatric dental coverage. The U.S. Department of Health and Human Services (HHS) rules require states to pick a medical benchmark that includes 10 categories of required EHB coverage. When dental benefits are missing from the chosen benchmark, states must use either the Children's Health Insurance Program (CHIP) or Federal Employees Dental and Vision Insurance Program (FEDVIP) to fill the scope of coverage.

FEDVIP High Plan is a DPPO with typical broad scope dental coverage of 100/70/50 in network and 90/60/40 out of network cost-sharing. There is a \$50 deductible on non-preventive services and a 24-month waiting period on child-only orthodontic coverage. CHIP is state health insurance available to children up to age 19 for families with income up to \$44,100. CHIP covers dental services. It generally excludes implants and is limited to medically-necessary orthodontic coverage. More details are available at InsureKidsNow.gov.

Consumer Cost Sharing

Brokers will be called upon to explain two key areas of consumer cost-sharing scenarios as they relate to dental benefits: pediatric dental coverage embedded within a medical plan and stand-alone dental in the Health Insurance Exchange (HIX) or the outside exchange market. Following are key highlights for each.

Pediatric Dental Coverage Embedded with Medical Plans

Cost-sharing parameters for pediatric coverage embedded within medical plans include:

- No annual or lifetime maximums
- Part of overall Actuarial Value (AV) for metal levels: 60, 70, 80, 90 (plus/minus 2 percent)
- Can be subject to medical deductibles not to exceed \$2,000 for individuals and \$6,000 family or have separate deductible
- Subject to consumer out-of-pocket (OOP) annual limits are \$6,800 for individuals and \$12,500 for family

Stand-alone pediatric dental in the Exchange

- No annual or lifetime maximums
- AV levels of high/low options: 70 plus/minus 2 percent or 85 plus/minus two percent

- “Reasonable” separate consumer OOP annual limit as determined by each state (State exchanges run by the federal administrator will use \$700 as the “reasonable” limit for the 2014.)

ACA Impacts on Brokers

The continuing sale of dental coverage is up to interpretations by federal agencies and potential Congressional action in 2013. Areas possibly impacted are:

- Commissions on medical coverage are subject to Medical Loss Ratios (MLRs).
- Commissions on the pediatric dental in the Small Group and Individual (SGI) markets.
- HIX will be a potential new market with add-on or wrap-around in GI for non-EHB benefits

What to Track

To develop a successful dental benefits sales strategy, monitor the following:

- EHB: Required benefits for SGI in each state, including dependent age for pediatric coverage, floor of age 19 can differ by state
- Exchanges: FFE allows brokers to link to HIX. Will state exchanges? What states will provide HIX commissions? What is the role of broker versus navigator?
- Inside and Outside HIX: Look for the availability of supplemental dental (adult and family coverage)

About NADP

National Association of Dental Plans (NADP), a Texas nonprofit corporation with headquarters in Dallas, Texas, is the “representative and recognized resource of the dental benefits industry.” NADP is the only national trade organization that includes the full spectrum of dental benefits companies operating in the United States. NADP member plans provide Dental HMO, Dental PPO, Dental Indemnity and Discount Dental products to 160 million Americans, more than 90 percent of all Americans with dental benefits. Follow NADPorg on Twitter.