

August 17, 2012

SENT VIA EMAIL

Nevada Silver State Exchange
808 West Nye Lane, Suite 204
Carson City, NV 89703
jhager@exchange.nv.gov

RE: Nevada Essential Health Benefits Benchmark Plan

Dear Mr. Hager :

I am writing on behalf of Delta Dental Insurance Company (“DDIC”) regarding the planned discussion on essential health benefits for the Nevada Silver State Exchange by the plan certification advisory committee in meetings scheduled for August 20th and August 29th. We are pleased to offer some specific comments regarding the unique considerations of the essential pediatric dental benefit in the process of setting the Essential Health Benefits Package (“EHBP”). We anticipate these comments may assist you in setting the benchmark that best reflects typical small employer dental benefits for children.

The Essential Health Benefits (“EHB”) Bulletin published by HHS recognizes that the initial four benchmarks proposed for determining the EHBP may not contain dental benefits sufficient to set a essential pediatric dental benefit. Of note, 97 percent of dental coverage is provided through separate (standalone) dental plans or policies. Thus, we have a concern that the initial four benchmark options, while offering a range of benefit options for the EHBP generally, do not accurately portray the average *dental* benefits being offered by small employers because they are medical plans and not dental plans.

We have alerted HHS that we support including as a benchmark option any of the three largest small employer plans by enrollment, provided that the benchmark for the pediatric dental essential benefit can be based on the largest *dental-specific* plans purchased by small group business employers. In light of this position - and because we are optimistic that HHS will embrace this very reasonable and consistent suggestion - we submit this initial statement reflecting the current options, but will appreciate the opportunity to supplement this in light of any change in available options presented by HHS.

In our review of the Public Consulting Group’s February 2012 EHB Potential Benchmark Plan Summary, we note that none of the initial ten benchmark plans identified contain dental benefits that are commonly found in a typical small group dental plan. Where dental is mentioned, it is included as a rider and contains benefits under FEDVIP’s plan, but it is noted these benefits are designed for adults as well as children, which we address further below. As such, we do not believe any of the

initial ten benchmark plans should be considered, and the Nevada Exchange should look to the default benchmark plans (CHIP vs. FEDVIP) as instructed by the HHS essential health benefits bulletin of March 16, 2012 to supplement the essential pediatric dental benefit.

With that in mind, we believe that Nevada's Check Up Program (CHIP) dental benefit is the superior alternative to the FEDVIP dental program. Below are our reasons:

1. **The Nevada Check Up Program dental benefit is a Nevada-developed, children-only dental program.** Adopting this package as the benchmark (as expressly permitted in the HHS Bulletin on Essential Health Benefits) helps the state avoid discontinuity of care and confusion as families go in and out of eligibility for Nevada Check Up and other commercial programs.
2. By contrast, FEDVIP was developed **for federal employees in Washington, D.C. as a family policy that includes adults.** As a result, the FEDVIP package includes benefits (e.g., implants) that may not make sense for children, yet add to the overall cost of the benefit package.
3. **FEDVIP could cost the State of Nevada money and will be unaffordable for many families and small businesses unless the benchmark excludes non-medically necessary orthodontics, which the Nevada Check Up Program already does.** The issue of affordability concerning orthodontics was clear to HHS, which declared in the EHB Bulletin that non-medically necessary orthodontics will not be a component of essential pediatric oral services. Selecting a benchmark that includes non-medically necessary orthodontics, such as FEDVIP, without expressly excluding those services, could be interpreted as adding a state-mandated benefit. Adding a state-mandated benefit to an EHB benchmark otherwise acceptable under the Bulletin would expose Nevada to the cost of making up the added premium subsidies needed by eligible enrollees for that coverage. Moreover, for enrollees who are not eligible for subsidies, adding orthodontics threatens to unravel the affordability of the pediatric oral services component of the EHB because orthodontics is an expensive, largely elective cosmetic benefit that does not treat dental disease and is therefore not essential. Nevada risks requiring a dental program that is so expensive that many individuals and small groups will refuse to purchase essential health benefits and simply pay the much smaller fines and penalties that go with non-compliance with the mandate.

For these reasons, we encourage you to consider the selection of the Nevada Check Up Program dental benefit as the benchmark, with the option to revisit this option upon any clarification of available dental benchmarks issued by HHS. If you have any questions, please do not hesitate to call me at (415) 972-8418, or our legislative advocate in Nevada, Helen Foley, at (702) 334-6500.

Sincerely,

A handwritten signature in black ink that reads 'Jeff Album'.

Jeff Album
Vice-President, Public and Government Affairs

Cc: Plan Certification Advisory Committee Members