

Helping Consumers Choose Dental Coverage in the Marketplace

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Overview: Oral Health

- **Oral health is essential to overall health and impacts:**
 - Nutrition
 - Learning
 - Social development
 - Employment
 - Military readiness
 - **More than half of new military recruits are unfit for deployment as a result of dental disease.**



Overview: Oral Health

- **Tooth decay is 4 times more prevalent than asthma, affecting:**
 - nearly half of five year olds;
 - and more than two-thirds of adolescents
- Takes hold early in life
- Can be prevented and managed with early intervention and:
 - Fluoride, good nutrition, and healthy habits
- About 1 in 7 kids and adolescents lack dental coverage (MEPS).



ACA Coverage: The basics

- Individual mandate (required to have coverage)
- Premium tax credits
- State health insurance marketplaces (web-based health insurance exchanges)
- Essential health benefits (EHB)
- Medicaid expansion
- Insurance market reforms
- No-cost preventive services
- Supporting provisions
- Focus on the “Triple Aim”



ACA Dental Benefits

- **ACA reforms to pediatric dental benefits:**
 - Makes it part of essential health benefits (EHB)
 - Offered in Marketplaces (exchanges) and small group/individual insurance markets in each state
 - Attempts to subsidize through premium tax credits
 - Limits cost-sharing (out-of-pocket maximums)
 - Removes annual and lifetime dollar limits on coverage (children only)
 - Requires offering of child-only plans (up to age 19)
 - Limits orthodontic coverage to medically necessary

ACA Preventive Oral Health Services

- Must be covered by all qualified health plans (QHPs) at no cost:
 - Oral health risk assessment by pediatrician for young children & referral to dentist
 - Fluoride supplements for children w/out fluoridated water
 - Fluoride varnish application by pediatrician for all children under age 5

ACA Dental Coverage: The Basics

- Intended to be part of comprehensive pediatric coverage
- EHB category 10: *“pediatric services, including oral and vision care”*
- Must be offered up to age 19 in all small group, & individual coverage
- ACA treats dental differently than health benefits

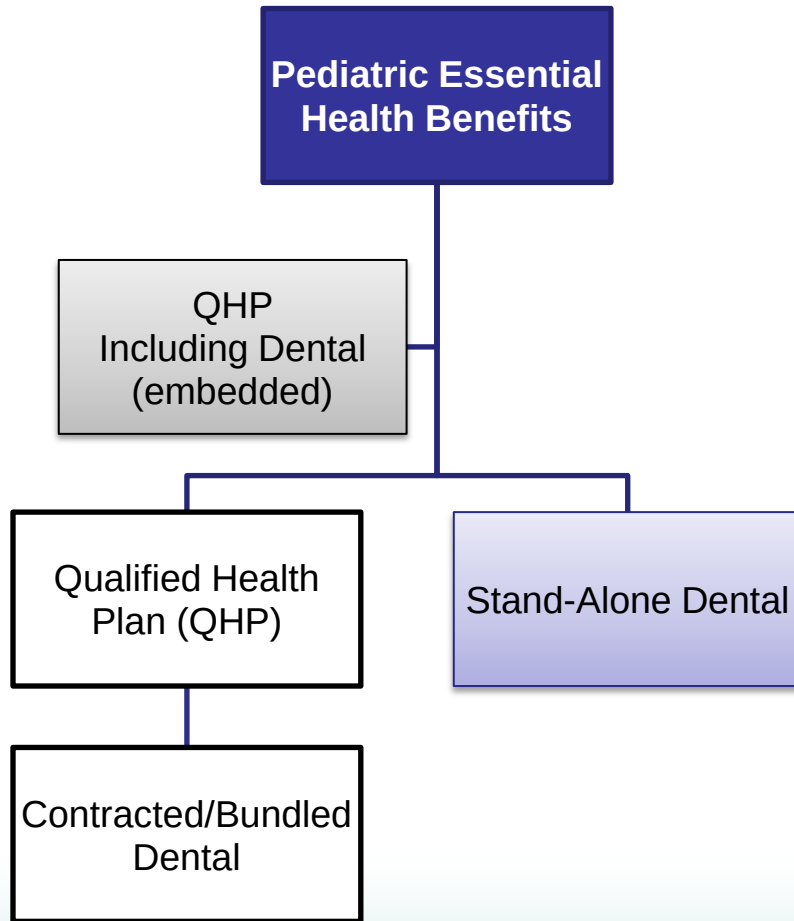


Pediatric Dental Benefits in the VA Marketplace

Benchmark: CHIP (Virginia Smiles for Children)

Preventive & Diagnostic Services	Treatment Services:	Orthodontics & other medically necessary services:
• Dental exams • X-rays • Cleanings • Fluoride treatments • Sealants • Space maintainers	• Fillings • Crowns/Tooth caps • Root Canals • Periodontal treatments • Dentures • Bridges • Extractions	• Orthodontics • Retainers • Anesthesia
Source: Insure Kids Now (insurekidsnow.gov/state/virginia/benefits.html)		

How can marketplaces offer dental?



- Stand-alone dental must be allowed to offer
- QHPs can be exempt from offering dental
- ACA does not require purchase of stand-alone dental
- States may require purchase
- Stand-alone dental not considered in Premium Tax Credit calculation

Dental Coverage in Virginia Marketplace

- About a third of health plans embed pediatric dental
- Less than 1% embed adult dental
- Adult dental coverage available through stand-alone plans
- Average monthly stand-alone pediatric dental premiums:
 - 70% AV = \$30
 - 85% AV = \$46

Must dental coverage be purchased?

- If pediatric dental benefits are offered through a stand-alone dental plan, QHPs are not required to but may provide such coverage.
- Stand-alone dental plans are not required to be purchased unless state policy dictates otherwise.
- Outside of the marketplaces, QHPs must have “reasonable assurance” that enrollees have purchased pediatric dental.

Comparing Coverage Options

Stand-alone

- Optional to purchase (unless state requires)
- Separate insurance policy & premium
- Separate deductible
- Separate out-of-pocket maximum
- Adult coverage options available
- No cost-sharing reductions
- Some consumer protections may not apply

QHP w/ Embedded Dental

- Dental benefits part of health plan (QHP)
- One premium for health and dental
- May have unified deductible or separate deductible for dental
- Individual or family plan includes dental for children; some plans may include adult dental
- Cost-sharing reductions apply
- All consumer protections apply

VIRGINIA

2014 DENTAL PLAN EXAMPLES

Stand-Alone Example: DentaQuest CHOICE Pediatric Dental Low

100%: Diagnostic & Preventive	80%: Restorative & Other Basic Services
• X-Rays • Exams • Specialist consultation • Cleanings • Sealants • Fluoride treatments	• Silver fillings (one per tooth per year) • White fillings (one per tooth per year – front teeth only) • Temporary fillings • Stainless steel crowns (every 2 years – baby teeth only) • Simple extractions • Anesthesia • Periodontal cleanings
50%: Complex Dental Services	50%: Orthodontics
• Crowns • Veneers (medically necessary) • Root canal • Root surgery (one per tooth per lifetime) • Dentures • Surgical extractions	• Medically necessary
Deductible: \$50 per child per coverage year. The deductible does not apply to diagnostic & preventive or orthodontic services. OOP Max: \$700 per child, \$1,400 per two or more children (\$350 & \$700 for 2015)	

Stand-Alone Example: Dentegra PPO Children's Plan 70

100%: Diagnostic & Preventive • Exams • X-Rays • Specialist consultation • Cleanings • Sealants • Fluoride treatments	50%: Basic Services • Fillings • Emergency palliative treatment • Periodontal cleaning
50%: Complex Dental Services • Crowns • Bridges • Dentures • Root canals • Oral surgery	50%: Orthodontics • Medically necessary
Deductible: \$40 per child per coverage year. The deductible does not apply to diagnostic & preventive. OOP Max: \$700 per child, \$1400 per two or more children (\$350 & \$700 for 2015)	

Embedded Example: Optima Vantage Equity 1500

Service	Plan Pays (after deductible)
Preventive & Diagnostic Services	100%
All other services (basic restorative, major restorative, periodontics, endodontics, oral surgery, implants/prosthodontics, dentures)	70%
Orthodontics (medically necessary & pre-authorization needed)	70%
Deductible: \$1,500 per individual, \$3,000 per family (medical & dental) OOP Max: \$4,500 per person, \$6,000 per family (medical & dental)	

Embedded Example: Innovation Health Basic PD

Service	Plan Pays (after deductible)
Preventive & Diagnostic Services	100%
All other services (basic restorative, major restorative, periodontics, endodontics, oral surgery, implants/prosthodontics, dentures, etc.)	100%
Orthodontics (medically necessary only)	100%
Deductible/OOP Max: \$6,350 per individual, \$12,700 per family (medical & dental)	

PLAN STRUCTURE AND CONSUMER ASSISTANCE

Choosing Dental Coverage

- **Factors to consider**
 - Covered services
 - Plan cost-sharing structure
 - Out-of-pocket (OOP) maximums
 - Cost-sharing reductions
 - Deductibles
 - Premium rates
 - Availability of tax credits
 - Consumer protections



Covered Services, Cost-sharing, & Deductibles

- State-selected EHB defines what services must be covered.
- Cost-sharing (how much the plan pays for specific services) may vary from plan to plan
- Plans may have apply deductibles differently
- High medical deductibles can be a barrier



Covered Services, Cost-sharing, & Deductibles

Example Only

	Stand-Alone Dental Plan	QHP with Embedded Dental
Service Category	Plan Pays	Plan Pays
Preventive & Diagnostic	90%	100%*
Basic Restorative	55%	80%*
Major Restorative	35%*	60%*
Orthodontics	50%*	50%*
Deductible	\$50	\$2,000

*Deductible must be met before plan covers services

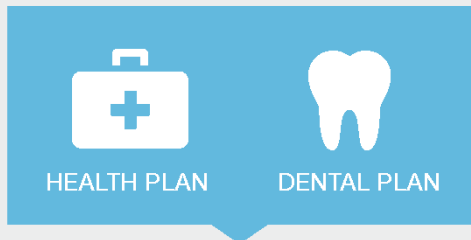
Out-of-Pocket Maximums

- ACA sets annual limits on out-of-pocket expenses (OOP maximums)
- ACA regulations allow for a separate OOP maximum for stand-alone dental plans
 - In addition to medical OOP maximum
 - **Federal Standard: \$350 per child/\$700 multiple children**
- If dental benefits are part of QHP, medical OOP maximum applies to all benefits

Out-of-Pocket Maximums

ACA limits how much individuals/families can pay out-of-pocket (including deductibles)

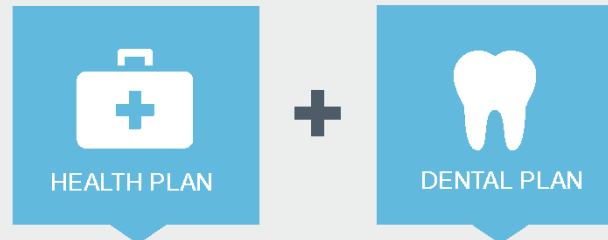
HEALTH PLAN THAT COVERS CHILDREN'S DENTAL CARE



OUT-OF-POCKET MEDICAL & DENTAL SPENDING



HEALTH PLAN AND SEPARATE DENTAL PLAN



OUT-OF-POCKET MEDICAL SPENDING



OUT-OF-POCKET DENTAL SPENDING



\$7,050 TOTAL OUT-OF-POCKET LIMIT

Separate & additional OOP max for stand-alone dental.

2015 (all states):

\$350 per child

\$700 for 2 or more children

Premium Tax Credits

Dental Benefits and Premium Tax Credits

- The ACA subsidizes the purchase of EHB coverage through premium tax credits
- Available to individuals & families earning up to 400% FPL (about \$95,400)
- Tax credits are paid to insurers on behalf of enrollees.
- The ACA states that the tax credit is applicable to pediatric dental benefits regardless of how they are purchased.
- Tax credit goes first to health plan (QHP); any remaining tax credit is then paid to stand-alone dental plan.

Premium Tax Credits

How is the tax credit calculated?

- Based on the second-lowest cost silver health plan in the marketplace
- If this plan does not cover pediatric dental, the tax credit will be based only on the cost of health services
- The cost of stand-alone pediatric dental coverage is not included in this calculation
- Families purchasing silver-level health coverage and stand-alone pediatric dental coverage will likely not have any tax credit available to support the purchase of dental coverage.

Premium Tax Credits

- **Example: Alexandria, VA family of 4 w/ annual income of \$70,650 (300% FPL)**
 - Expected annual premium contribution= **\$6,712** (9.5% of income)
 - 2nd lowest cost silver plan (includes dental) = **\$9,636**
 - Tax credit: $\$9,636 - 6,712 = \mathbf{\$2,924}$
 - Dental premium (2 kids) = **\$0**
 - Total premium obligation = **\$6,712** (9.5% of income)

Premium Tax Credits

- **Example: Richmond, VA family of 4 w/ annual income of \$70,650 (300% FPL)**
 - Expected annual premium contribution= **\$6,712** (9.5% of income)
 - 2nd lowest cost silver plan (no dental) = **\$8,959**
 - Tax credit: $\$9,636 - 6,712 = \mathbf{\$2,247}$
 - Dental premium (2 kids) = **\$552**
 - Total premium obligation = **\$7,264** (10.3% of income)

OTHER AREAS OF INTEREST AND CONCERN

Transparency

- Health plan information not always clear on dental benefits
- Summary of benefits only indicates whether dental is covered
- Customers may need to call health plans to get info about cost-sharing and deductibles.

Consumer Protections

- The ACA includes numerous market reforms for all benefits provided through a QHP.
- The ACA removes annual and lifetime dollar limits on coverage for stand-alone dental plans.
- The following do not apply to benefits provided through a stand-alone dental plan:
 - Protection against denials for pre-existing conditions
 - Guaranteed issue/renewal
 - Fair insurance premiums (based only on age and geography)
 - Right to external appeals process

Network Adequacy

- The ACA requires that all plans in the marketplace have an adequate provider network but standards for dental plans are vague.
- Consumers should review available plan information to make sure preferred providers in their area are included in the network:
 - Prospective patients may need to call dentists offices in their area to find one in their network
 - The insurance plans should also be able to provide a list of providers

Network Adequacy

- Consumers may also look to Essential Community Providers (ECPs) such as:
 - Federally qualified health centers (FQHCs)
 - Ryan White providers
 - Family planning providers
 - Indian providers
 - Specified hospitals (Disproportionate Care Hospitals, Children's Hospitals, Rural Referral Centers, Sole Community Hospitals, Critical Access Hospitals)

Network Adequacy

- Plans in the Federally-Facilitated Marketplaces must include at least 20% of available ECPs in the service area in their network and:
 - All available Indian providers in the services area
 - At least one ECP in each of the categories described on the previous slide in each county in the service area where available.
- Plans may be able to meet a lower expectation of 10% inclusion of ECPs if justification is provided to CMS.

Network Adequacy

Take-aways:

- Plans must have adequate networks but measurement of adequacy is not clear for dental
- Essential Community Providers (ECPs) must be included in plan networks.
- Consumers should understand what types of providers are available to them in when purchasing dental coverage

RECAP: WHAT CONSUMERS NEED TO KNOW

Recap: What Consumers Need to Know

- How pediatric dental benefits will be available to them
- How dental benefits work and how plans differ (services, plan structure, cost-sharing, deductibles)
- The financial impact of their choice of dental benefits (OOP maximums, cost-sharing reductions, premium rate differences, tax credit amount and applicability)
- Consumer protections available to them
- What providers are available to them

A FINAL WORD ABOUT CHIP

CHIP

- 8+ Million children covered
- Funding runs out in September 2015
- Millions of children would transition to marketplace coverage
- At least 2 million low-income would kids without subsidized coverage

Navigators and Assistors - Resource

Northern Virginia Health Foundation is supporting an update of an informational webinar about dental plans and the Virginia exchange.

It will be available on the VaOHC website after December 10th.

Questions?

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