A Framework for Stand-Alone Offerings and Consumer Comparison and Choice

The ACA expressly permits stand-alone dental benefit plans to offer the pediatric dental benefit separately from qualified health plans offering the other medical benefits required under the essential health benefit standards that will apply inside the Exchange. (See ACA section 1311(d)(2)(B)(ii)). Further, the ACA requires that Exchanges must allow stand-alone dental plans to participate in the Exchange alongside Qualified Health Plans provided that the stand-alone plan is an excepted benefit plan, covers at a minimum the pediatric dental benefit, and meets all appropriate certification requirements. The Exchanges should look to the current marketplace in determining the best approach for offering stand-alone dental plans to consumers.

In today's market, the typical employer-provided dental benefit is separately offered and priced because purchasers prefer separately administered medical and dental. The Exchange would be wise to provide the same opportunity for consumer choice and comparison shopping. The illustration below demonstrates how this works to the advantage of the consumer. In today's market, dental plans also typically cover all family members. Consumers would therefore benefit if full family coverage were accessible through the Exchange, as also illustrated below.

<u>For this illustration, assume the following facts</u>:

- The Joneses are a family of four. Father John, wife Martha and sons Andrew and Peter both under 12.
- The Joneses' annual family income is $55,875 (250% of FPL for a family of four in 2011).
- John works for ABC Corp., which offers medical plan coverage to its 50 full-time employees with no dependent coverage and no coverage for dental.
- The Joneses are currently insuring their non-covered medical and dental coverage by paying out-of-pocket;
- Their current dental provider is Dr. Molar.

In 2014, the Jones family decides to enroll in the California Health Benefit Exchange to take advantage of subsidies that are available for medical coverage as well as for their children's pediatric dental coverage, since only John is covered by the employer policy. In order to provide the family with a first class consumer experience, the Exchange should be structured to allow for the following to occur:

1. The Exchange should provide an apples-to-apples comparison among all benefits made available through the Exchange, including a comparison between essential pediatric dental benefits offered by stand-alone dental carriers and the pediatric dental benefits separately priced and offered by Qualified Health Plans ("QHP"s).

<u>Example:</u> The Joneses would input their demographic information and then either search for their preferred providers or go directly to available coverage options for health and dental. They should be able to view the medical benefits available in their geographic area (both

from medical-only carriers and QHPs) and the associated price for those medical benefits. They should be able to narrow the plans available to them by searching for certain participating providers within the plans of interest to them.

Similarly, the Joneses should have the option of comparing all plans offering the essential pediatric dental benefits (both QHPs and dental-only plans). They should be able to search by dental provider to see which plans Dr. Molar participates in, and then compare the prices for those plans. In this way, Martha could compare the benefits available for Andrew and Peter and choose the plan (either QHP or dental-only) that provides the benefits her children need at an acceptable price point and that allows her family to continue seeing Dr. Molar.

Without the ability to compare prices of stand-alone dental offered by dental-only plans as well as separate dental offerings by QHPs, the Joneses would be unable to compare the pediatric oral benefits to the relative cost of coverage in the QHP versus the dental-only plan. Also, without the ability to select the dental plan independently of the medical, the Joneses could be forced to select a QHP that includes their family medical practitioner but does not include Dr. Molar. If this was the case, the Jones's would have pay out of pocket to continue to see their family dentist.

If the Exchange requires separate pricing and offer of dental benefits, the Joneses can compare available plans and choose the plan which makes the most sense for their family, both in terms of affordability and continuity of care with their medical *and* dental providers. To reiterate, without the separate offering of dental benefits, the dental portion of the QHP could be offered under a "take all-leave all" format, which prevents choice among stand-alone dental plans and QHPs, and may force some families into buying dual coverage for their children's dental benefits in order to preserve their relationship with a preferred dental provider. Similarly, without separate pricing, consumers cannot compare their choices to determine what portion of premium is being allocated by the health carrier to medical versus dental.

2. The Exchange should offer additional supplemental adult dental benefits alongside the essential pediatric oral benefits so that parents can purchase family coverage that includes the same family dentist as their children, and are encouraged to consider obtaining such coverage. In addition, parents interested in purchasing orthodontia benefits for their children (which is currently not considered "essential") should have that option.

<u>Example</u>: After completing the purchase of the required essential medical and dental benefits, the Joneses would be prompted to consider optional supplemental benefits that could include a family plan option to cover the entire family, or to buy-up additional coverage (e.g., non-medically necessary orthodontia) for Andrew and Peter, to be added to the essential benefits they have already purchased.

Throughout the coverage selection process, it should be clear that pediatric dental is required only to the extent of "pediatric oral services" as part of the EHBP. Moreover, it should also be clear parents can satisfy the mandatory pediatric requirement through the purchase of a family dental plan which includes the required "pediatric oral services." There is added

benefit to the family plan approach, as children are more likely to visit the dentist when their parent is also covered and the family is provided treatment under the same provider.