



Dental Intelligence

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

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. Pediatric dental benefits are part of the minimum package of benefits that must be offered in these markets—both inside and outside of Exchanges. Pediatric is defined as up to age 19 unless a state increases the age. 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 is the second article in a three-part series that will explore the impact of the ACA on dental benefits. This article examines various Exchange models and the final article will focus on cost-sharing scenarios. The first article presented an ACA market overview.

Exchange Models

States may offer both an American Health Benefits Exchange (AHBE) for the individual market and a Small Business Health Options Program (SHOP) Exchange for the small group market, or a combination of the two. Following are highlights of the three basic Exchange models where small employers and individuals may purchase health coverage, including dental benefits:

State Based Exchanges

In this model, the state operates all Exchange activities; however, the state may use federal government services for the following:

- Determination of premium tax credit and cost sharing reduction
- Exemptions
- Risk adjustment program
- Reinsurance program

State Partnership Exchanges

Under this model, the state operates plan management and /or consumer assistance activities. This includes health and dental plan selection and management, as well as setting policy affecting how plan options are integrated on a federal web portal. The state may also elect to perform or can use federal government services for the following:

- Reinsurance program
- Coordination with Medicaid and Children's Health Insurance Program (CHIP) for assessment and determination of eligibility

Federally Facilitated Exchange (FFE)

The U.S. Department of Health and Human Services (HHS) operates the Exchange under the FFE model; however, the state may elect to perform or can use federal government services for:

- Reinsurance program
- Coordination with Medicaid and CHIP for assessment and determination of eligibility
- Selection of a state-based benchmark to define Essential Health Benefits (EHB)

Dental Benefits in State Exchanges

Many specifics about state-based Exchanges are still in development in the states moving forward with a state-based or partnership Exchange model. HHS has granted states great flexibility in their Exchange development, which means dental plans can be offered in various ways from state to state. The National Association of Dental Plans (NADP) is representing the unique views of dental benefit plans in these activities from coast-to-coast.

See the chart below for a complete list of state Exchange model decisions.

State-based: 18 (all conditionally approved)	Partnership: 7	Federally Facilitated Exchange (FFE): 26
California Colorado Connecticut Hawaii Idaho Kentucky Maryland Massachusetts Minnesota Nevada New Mexico New York Oregon Rhode Island Utah Vermont Washington Washington, D.C.	Arkansas: conditional approval Delaware: conditional approval Illinois: conditional approval Iowa Michigan New Hampshire West Virginia	Alabama Alaska Arizona Florida Georgia Indiana Kansas Louisiana Maine Mississippi Missouri Montana Nebraska New Jersey North Carolina North Dakota Ohio Oklahoma Pennsylvania South Carolina South Dakota Tennessee Texas Virginia Wisconsin Wyoming

Dental Benefits in Federally Facilitated Exchange

Brokers can link to the HIX portal of the FFE. Key highlights regarding dental benefits include:

- Dental benefits—both pediatric and adult—will be offered separately in individual and SHOP HIX
- Open to all qualified dental plans
- FedVIP MetLife High Plan will be the dental benefits benchmark with ortho limited by medical necessity; Pediatric defined as up to age 19
- When dental coverage is purchased separately:
 - Actuarial values (AV) are different from medical—only a low (70%) and high plan (85%) option (NOTE: 85% will have similar benefits to typical dental plans.)

- Separate, reasonable out-of-pocket maximums apply to pediatric dental coverage when offered as stand-alone, and
 - No annual or lifetime limits will apply to pediatric dental benefits.
- In the FFE AHBE, consumers will be referred to the dental plan's site for enrollment and premium payment.
- In the FFE SHOP, consumers will be enrolled and have premiums collected & distributed by the SHOP.

What does this mean for brokers? Dental coverage in Exchanges—particularly coverage for individuals up to age 19 will be very different from what consumers are accustomed to in the private market. Child-only policies will be available and family policies will have new provisions for children's coverage. Out of pocket costs will be more limited—particularly when medically necessary orthodontia is involved. There will be no annual maximums and as a result, premiums for children's coverage will be higher. And pediatric dental coverage can be included in medical policies but can be subject to medical deductibles and out-of-pocket limits. The differences in what is being offered require examination and explanation. When considering the above information, it is clear brokers will play a key role in explaining and selling dental coverage in the Exchanges. For more news about dental benefits, watch for future issues of Dental Intelligence.

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.