RHODE ISLAND
HEALTH COVERAGE PROJECT

PEDIATRIC DENTAL COVERAGE OPTIONS:
RHODE ISLAND'S CHOICES UNDER THE AFFORDABLE CARE ACT
DECEMBER 2013

Oral health is critically important to a child's overall health and well-being. Poor oral health has immediate and significant negative impacts on a child's nutrition, growth, health status, school attendance, academic achievement, social development, and overall quality of life.[1,2]

The federal *Patient Protection and Affordable Care Act (ACA)* marks a significant opportunity to expand children's access to dental care nationwide and in Rhode Island. Under the *ACA*, pediatric dental services are one of the ten mandated Essential Health Benefits (EHB) that must be offered in the individual and small employer markets, which include federal or state-run health insurance marketplaces. Rhode Island's marketplace, known as HealthSource RI, is currently open for enrollment.[3,4,5]

The American Dental Association has recently projected that an additional 18,800 Rhode Island children would gain commercial pediatric dental benefits by 2018 as a result of the *ACA*, an increase of 19% relative to 2010. (Note: This is an upper bound estimate due to modeling assumptions and excludes children with dental coverage through Medicaid/RIte Care.)[6]

In Rhode Island, HealthSource RI and the Office of the Health Insurance Commissioner (OHIC) are the two lead agencies charged with implementing and overseeing pediatric dental EHB provisions. Over the past two years, they have enacted pediatric dental EHB policies that best meet the unique needs of Rhode Island's marketplace and children. Below is an outline of important pediatric dental policy decisions made-to-date, including a summary chart, as well as policy recommendations for the future. The recommendations proceed the overview because the complexity of this issue and the need for immediate short-term policy actions.

Pediatric Dental Policy Recommendations Going Forward [7,8,9,10,11]

- **Short-Term Recommendations**

  - **Provide Comprehensive Training on Dental Benefit Options**
    Given the level of complexity present with the purchase of pediatric dental coverage, it is important that any state or community entity that will provide enrollment assistance to consumers be prepared to discuss pediatric dental coverage. The training curriculum used by HealthSource RI Contact Center staff, navigators, brokers, and others should include a specific module on advising consumers

RHODE ISLAND HEALTH COVERAGE PROJECT
c/o THE ECONOMIC PROGRESS INSTITUTE, BLDG. 9
600 MT. PLEASANT AVE, PROVIDENCE, RI 02908
(401) 456-2751

about their options for purchasing pediatric dental coverage. The pediatric dental training module should address the following topics: the general benefits covered by the pediatric dental EHB, the types of plans and carriers available in each market, dental purchase requirements on and off HealthSource RI in both the individual and small employer markets, the definitions of medical necessity within dental benefits and plans, orthodontic waiting periods, RIte Care medical and dental eligibility, available cost-sharing reductions for embedded medical plans in the silver tier in the individual market, how tax credits cannot be applied to adult stand-alone dental benefits, and which out-of-pocket maximum applies to pediatric dental services when a family in the individual market buys both an embedded dental plan and a stand-alone dental plan.

- **Inform Consumers about Dental Coverage**

  Rhode Island consumers must be informed about the various dental coverage options that are available through HealthSource RI, including dental and medical coverage through RIte Care/Medicaid. Eligible consumers shopping for coverage in the individual market of HealthSource RI should be made aware that the 2014 premium tax credit fully includes the cost of the pediatric dental EHB and that tax credits cannot be applied to adult dental benefits. They should also be informed that cost-sharing reductions for dental coverage are only available with silver-tiered embedded medical plans for those individuals who are eligible. At a minimum, all individual market HealthSource RI consumers should be told that pediatric dental coverage can be obtained by enrolling in either a Blue Cross Blue Shield of Rhode Island (BCBSRI) embedded medical or stand-alone plan as well as through a RIte Care plan, if eligible. They should also be told that adult dental coverage is available and can only be purchased via a BCBSRI stand-alone dental plan. SHOP consumers need to be made aware that there is no requirement to purchase dental coverage (pediatric or adult), only stand-alone dental coverage is available, and that they are not allowed to choose a different stand-alone dental plan than the one selected by their employer. All of this information should be easy-to-understand, translated, and made readily available on the HealthSource RI website and during all customer service sessions. Consumer handouts regarding dental coverage should also be made available at Navigator sites and at the HealthSource RI Contact Center. In addition, the HealthSource RI online personal premium calculator for the individual market should be modified so that it more clearly shows how all BCBSRI medical plans include pediatric dental and how parents and adults needing dental coverage will have to purchase a separate stand-alone plan. The personal premium calculator should also indicate to eligible browsing consumers that no cost RIte Care/Medicaid medical and dental insurance is available.

- **Facilitate a Dental Friendly Web Application Process within HealthSource RI**

  The HealthSource RI web portal experience for both anonymous browsing and enrollment should easily identify and link to the various dental policies that are available, including RIte Care and any embedded medical or stand-alone plans with the pediatric dental EHB. There should also be a “no wrong door” approach to obtaining dental coverage; a consumer should be able to add this benefit at any time during the enrollment process. An explanation of benefits covered, purchase requirements, eligible financial support, and out-of-

pocket cost should be made readily available when consumers are browsing or enrolling in dental coverage.

- **Create Dental System Notifications within the HealthSource RI Web Portal**

  Given that the purchase of pediatric dental coverage is not required in the HealthSource RI marketplace, dental system notifications should be incorporated into the UHIP system so that consumers without dental benefits at "check out" are made aware that their coverage selection excludes pediatric or adult dental benefits. Customer service staff using HealthSource RI systems to enroll individuals in coverage should also be prompted by a system alert to notify individuals about the availability of dental coverage before ending their session with consumers. This should be fast tracked in the SHOP where there are no embedded medical plans offered. These notifications, which should be shown to adults and families alike, should inform consumers that dental plan offerings are available for their children and themselves and that they have opted not to purchase this coverage. It should also specify the dental benefits that are covered by various plans sold on HealthSource RI. Such a notification will not only help consumers become fully aware of the availability of dental coverage, but it may even prompt some to reconsider purchasing pediatric/adult dental coverage altogether. At a minimum, this notification will act as way to confirm that the consumer intended to forgo dental coverage for their child or themselves.

- **Monitor HealthSource RI Enrollment of Dental Coverage**

  HealthSource RI should actively track and report the number of consumers who opt not to enroll in plans that offer pediatric dental EHB coverage. Specific attention should be made with the small employer market throughout 2014, as there are no embedded plans being offered and no defined open enrollment period. As a result, there is a potential to see a large number of children and families not buying optional pediatric dental coverage through a stand-alone plan. HealthSource RI should also track the number of parents and adults who opt not to enroll in a stand-alone dental plan in both markets for their adult dental benefits. More in-depth follow-up research regarding any potential lack of dental enrollment should be considered and potentially used to inform dental plan review, plan design restrictions, and certification standards in Rhode Island in future years. Not as much monitoring needs to occur in the individual market of HealthSource RI in 2014 due to the fact that all enrolled children will obtain pediatric dental coverage as a result of the prevalence of embedded medical plans, availability of RIte Care, and the 250% federal poverty level (FPL) income eligibility restriction placed on medical only Neighborhood Health Plan of Rhode Island (NHPRI) policies. Children with income below 250% FPL will be able obtain dental coverage through RIte Care and those children above 250% FPL will only be offered BCBSRI medical coverage that includes pediatric dental benefits in the individual market of HealthSource RI.

- **Investigate & Clarify Reasonable Assurance Standards/Procedures**

  Reasonable assurance is an *ACA* mandate that applies to non-grandfathered medical plans (those created after March 23, 2010) sold

outside of HealthSource RI in the individual and small group markets. Reasonable assurance is the process by which non-grandfathered medical plans will inquire/determine how the pediatric dental EHB will be offered (either through a stand-alone plan or within the medical plan). OHIC & HealthSource RI should provide the public, employers, brokers, employees, insurers, and interested parties a summary report of how insurance carriers in the individual and small group market outside of Healthsource RI are currently implementing reasonable assurance checks. Also included in the report should be an outline of the consequences of non-compliance and the mechanisms available for reporting such instances, particularly with those carriers who are encouraging individuals/small employers to buy coverage through HealthSource RI in order to obtain coverage that excludes pediatric dental benefits. Such a report will instill confidence that *ACA* requirements are being met and that children with non-grandfathered medical plans outside of HealthSource RI in the individual and small employer market are gaining the required access to the pediatric dental EHB in some manner. This report may even help standardized and streamline current industry practice as well as identify those carriers lacking a defined process. It will also empower consumers and insurers with tools and knowledge needed to report those carriers or plans that are not in compliance with the reasonable assurance standard.

- **Long-Term Recommendations**

  - **Align HealthSource RI Market Offerings to Increase Consumer Choice**

    The individual and small employer markets on HealthSource RI should be aligned so that carriers have the option to sell and consumers have the option buy medical plans with embedded pediatric dental coverage in both markets. Currently, the small employer market prohibits the sale of embedded medical plans. Allowing embedded medical plans to be sold in the small employer market will not only increase consumer choice and competition within the SHOP, but it may also help remove potential financial barriers consumers may face when purchasing stand-alone dental plans. At a minimum, it will increase the quality and robustness of plan offerings on the small employer market on HealthSource RI, which may help contribute to higher enrollment levels in the future. Aligning both markets may even foster competition among dental plans with differing designs, which may lead to lower prices for consumers, increased access to oral health, and higher enrollment levels. Data regarding pediatric dental uptake in the individual and small employer market during 2014 should be examined and inform this policy decision. In addition, employees who obtain commercial coverage through the SHOP should be able to select the stand-alone dental plan in which they wish to enroll. They should not be prohibited from selecting a different stand-alone dental plan than the one chosen by their employer. It is only when SHOP restrictions are removed will SHOP consumers be able to have the same dental consumer experience, level of choice, and competition that is found in the individual market of HealthSource RI.

- **Enhance Affordability of Dental Coverage**

  HealthSource RI should work with insurance carriers to develop and adopt a lower maximum out-of-pocket cap for stand-alone dental plans covering the pediatric dental EHB. A monthly dental premium, coupled with a maximum dental out-of-pocket cap ranging from $700 per child to an annual maximum of $1,400 per family, that is in addition to and separate from a medical premium and medical maximum out-of-pocket cap ranging from $6,350 for an individual and $12,700 for a family may be cost prohibitive for Rhode Island families. At a minimum, HealthSource RI, insurers, and advocates should publically discuss and weigh in on the December 2, 2013 proposed federal regulations that establish a national maximum out-of-pocket standard for stand-alone dental plans in 2015, which ranges from $300 for one covered child to an annual maximum of $400 for two or more children.[12] Making stand-alone dental coverage more affordable could improve take-up, which will in turn increase children's access to oral health. OHIC and HealthSource RI should also work with carriers and interested parties to explore whether a pediatric dental cap needs to be incorporated within the overall cap of embedded medical plans. Data from HealthSource RI, insurance carriers, dental providers, and RIREACH should be used to ascertain whether or not having pediatric dental EHB services be subject to a large overall medical cap is cost prohibitive for families and children.

- **Continue to Maximize the Tax Credit and Cost-Sharing Reductions in the Individual Market of HealthSource RI**

  OHIC and HealthSource RI should continue to certify and rate review plans in such a way in the individual market of HealthSource RI that the second lowest cost silver plan is an embedded medical plan with pediatric dental coverage. This will allow consumers the ability to obtain a tax credit that includes the cost of the pediatric dental EHB as well as receive any eligible cost-sharing reductions to their dental benefits within an embedded silver tiered medical plan. Another advantage of having the tax credit be calculated based on an embedded medical plan is that it potentially gives consumers an increased tax credit amount, which can be used to buy either cheaper embedded medical policies or stand-alone dental plans that are paired with cheaper medical only plans. While the latter option is not available in the 2014 individual marketplace, it could be in future years. Particular attention should be made when new carriers plan to enter HealthSource RI or when NHPRI's income caps are adjusted or removed. HealthSource RI and OHIC should work with any new or existing carriers to encourage them to create embedded plans and to minimize the number of medical plans that exclude dental benefits on HealthSource RI. The lack of financial assistance for the purchase of stand-alone dental plans coupled with an increased availability of health plans excluding the pediatric dental EHB and there being no requirement to obtain dental coverage could result in many children and families enrolling in coverage that does not include dental benefits and care, which could contribute to worse oral health outcomes over time. As such, deliberate rate review and certification as well as the promotion and encouragement of more embedded medical plans should be pursued by OHIC and HealthSource RI in the individual market of HealthSource RI until such a time when the federal tax credit methodology regarding stand-alone dental plans is fixed.

- **Improve Tax Credit Methodology at the Federal Level**

  HealthSource RI, OHIC, and other interested parties, including Rhode Island's Congressional delegation, should advocate with the U.S. Department of the Treasury for an adjustment for how tax credits are calculated so that it includes the cost of stand-alone dental plans if the second-lowest cost silver medical plan does not provide pediatric dental coverage.

- **Monitor Adequacy of Pediatric Dental EHB Benefits, Networks, & Plans**

  HealthSource RI in conjunction with OHIC should periodically review how effective embedded and stand-alone dental plans are in providing pediatric dental EHB and services. Dental network adequacy should be of particular focus, especially for those plans with very limited networks. Embedded dental benefits should also be analyzed to ensure comparability with those stand-alone dental plans who must meet specific actuarial value requirements in 2014. Medical necessity definitions and orthodontic waiting periods should also be examined so that actions to standardize the marketplace and increase consumer protections can be taken, if necessary. Data from carriers, providers, consumers, community organizations, and consumer assistance programs should be used when analyzing and reviewing pediatric dental EHB and plans.

- **Encourage More Integration Between Medical and Dental Insurance & Providers**

  HealthSource RI in conjunction with the Executive Office of Health and Human Services, OHIC, Lt. Governor, and Department of Administration should enact policies, programs, and contracting practices that help accelerate the integration of medical and dental insurance among various carriers. A focus on integrating medical and dental provider models should also be pursued with policies, programs, and contracting practices. These actions may be the catalyst needed to further integrate medical/dental coverage and care as well as increase access to dental insurance and care.

- **Monitor Oral Health Outcomes**

  HealthSource RI in conjunction with the Rhode Island Department of Health, Executive Office of Health and Human Services, insurance carriers, providers, and community organizations should analyze the oral health outcomes of children enrolled in dental coverage. Data gathered should inform regulations pertaining to EHB covered services, plan designs, policies, and dental plan certification.

Basics about the Pediatric Dental EHB in Rhode Island [13,14,15,16,17,18,19]

- Rhode Island has determined that the pediatric dental EHB applies to children under age 19.
- Rhode Island chose the federal employee MetLife FEDVIP plan as its pediatric dental EHB benchmark plan.
- The pediatric dental EHB must be offered in the individual and small employer markets, which includes those plans sold on HealthSource RI. Self-insured, large employer, and grandfathered plans (those created on or before March 23, 2010) are not mandated to provide EHBs.
- Services and benefits covered under the pediatric dental EHB include routine exams/evaluations, cleanings, fluoride treatment, sealants, fillings, crowns, dentures, oral surgery, endodontic services, and orthodontic benefits all with varying utilization limits.
- Plans may opt to use less-restrictive utilization limits (i.e. offer more services more frequently) than what is outlined in the benchmark plan, but are prohibited from using more stringent utilizations limits.
- Consumers will be able to access all services and benefits covered under the pediatric dental EHB irrespective of cost or spending caps. Dollar limits do not count as utilization limits. Dollar limits are prohibited for EHBs, including pediatric dental.

HealthSource RI Pediatric Dental EHB Regulations [20,21,22,23]

- <u>Stand-Alone Dental Plans</u>
  Stand-alone dental plans must be offered in both the individual and small employer markets. All stand-alone plans need to cover the pediatric dental EHB. Adult benefits may be included in plan designs, but are not required. In the small employer market, employees do not have the ability to purchase a different stand-alone dental plan than the one that is selected by their employer. Consumers in the individual market are free to select any of the available stand-alone dental plans. Due to the availability of stand-alone dental plans on HealthSource RI, medical plans have the option to exclude the pediatric dental EHB in both the individual and small employer markets.
- <u>Embedded Dental Plans</u>
  Embedded plans are those that include medical and dental services in the same benefit policy. In the individual market, medical plans may embed the pediatric dental EHB. In the small employer market, medical plans may not embed the pediatric dental EHB; only stand-alone dental plans may be offered. This embedded exclusion in the small employer market is not required by the *ACA*; this was a state-level

decision made by HealthSource RI.[24]

- Available Financial Support for Pediatric Dental Coverage

  Under the *ACA* in the individual market, tax credits are available for those families with household incomes between 100% and 400% of the federal poverty level (FPL) and can be used to help lower the cost of health coverage, including dental benefits. Tax credits are also available to lawfully residing immigrants with incomes under 100% of FPL who are not eligible for Medicaid due to immigration status. The tax credit amount given to consumers is based on the second lowest silver tiered plan in the individual market and is calculated by taking the difference between the expected premium contribution that individuals must pay under the *ACA* (2% - 9.5% of income respectively) and the cost of the second lowest silver tiered plan. Families using their tax credit to purchase pediatric dental coverage who wish to contribute no more than the required sliding scale premium contribution (2% - 9.5% of income respectively) must purchase an embedded medical plan that is at or below the cost of the second lowest silver tiered plan. Currently, there are no lower tiered medical plans offered on HealthSource RI that do not embed the pediatric dental EHB. Consumers will have the option of buying a silver level or higher tiered medical plan (with or without embedded dental) and or a stand-alone dental plan. However, all additional costs will be incurred completely by the consumer and not covered by the tax credit. In addition, if a consumer chooses to buy a medical only plan and a stand-alone dental plan, the tax credit must first be applied to the cost of the medical plan with any remaining tax credit amount then being applied to the stand-alone dental plan. The consumer will be liable to pay any outstanding premium amount that is not covered by the tax credit with their stand-alone dental plan. In 2014, there is no scenario in which this would apply. In addition, the tax credit will only cover the cost of EHBs. The tax credit amount will not cover the cost of adult dental benefits. The consumer will have to pay for those adult dental benefits fully themselves. In 2014, the tax credit amount given to all HealthSource RI consumers includes the cost of the pediatric dental EHB because the second lowest silver plan is an embedded medical policy. When the second lowest silver tiered medical plan excludes pediatric dental EHB, the tax credit amount will not take into account the cost of buying a pediatric dental stand-alone plan. This tax credit caveat is the result of a U.S. Department of Treasury decision.

  Also in the individual market, eligible families with incomes under 138% FPL (<$26,951 for a family of 3) will be able to obtain no cost medical and dental coverage through RIte Care. Eligible children in families with income between 139% - 250% FPL ($26,951 - $48,825 for a family of 3) will also be able to enroll in no cost medical and dental coverage through RIte Care/RIte Smiles, while their parents will be able to purchase commercial insurance with tax credits and cost-sharing reductions. Cost-sharing reductions reduce deductibles, copayments and other out-of-pocket charges and are only applied when eligible individuals buy silver tiered medical plans (both with or without embedded dental benefits). Cost sharing reductions do not apply to stand-alone dental plans, medical plans (with or without embedded dental benefits) in non-silver tiers, or for those with incomes above 250% FPL.[25,26,27,28]

In the small employer market, employers are required to offer their employees dental coverage, but are not required to contribute to the cost of purchasing dental coverage. As a result, the amount of financial assistance provided to employees in purchasing pediatric dental insurance will vary by employer. Medicaid coverage will also be available to all eligible employees and dependents as well.

- Purchase Requirements

  Even though it is mandatory that the pediatric dental EHB be offered in both markets of HealthSource RI, there is no requirement for families to purchase pediatric dental coverage, either through a stand-alone plan or an embedded medical plan. This is due to a federal decision to not include the cost of a stand-alone dental plan when calculating the tax credit available for families with incomes below 400% of FPL in the individual market and the fact that there is no requirement for employers to contribute to the cost of dental insurance in the small employer market. HealthSource RI does have the authority to mandate the purchase of pediatric dental EHB in both markets.

  It is important to note that all children enrolling in the individual market of HealthSource RI in 2014 will obtain dental benefits even though the purchase of pediatric dental is not required. This is due to prevalence of embedded plans, availability of RIte Care, and the 250% income eligibility restriction placed on medical only NHPRI plans. All children in families with incomes under 250% who are citizens or have legal permanent resident status will be able to enroll in no cost medical and dental coverage through RIte Care/RIte Smiles. Those families with incomes above 250% will only be offered BCBSRI medical plans that embedded the pediatric dental EHB. Families purchasing coverage through the small employer market not qualifying for Medicaid as well as adults enrolling in coverage in either market are not required to purchase dental benefits that are only available via a stand-alone dental plan.

Individual and Small Employer Pediatric Dental EHB Regulations Outside HealthSource RI [29,30,31,32]

- Pediatric Dental EHB Offer Requirements & Reasonable Assurance

  Non-grandfathered medical plans (those created after March 23, 2010) in the individual and small group market outside of HealthSource RI are required to cover the pediatric dental EHB due to an *ACA* mandate called "reasonable assurance." Reasonable assurance is the process in which medical carriers enquire and determine how the pediatric dental EHB will be offered (either through a stand-alone plan or within the medical plan). Those customers (individual or small employer) who indicate they do not have pediatric dental coverage through an Exchange certified stand-alone dental plan, will have to be offered medical coverage that includes pediatric dental benefits. Those customers, who indicate they have stand-alone dental coverage that includes pediatric dental EHB, will not have to buy an embedded medical plan. Insurance carriers will likely determine reasonable assurance in a variety of ways. Reasonable assurance essentially mandates the purchase of pediatric dental EHB for all consumers (both individual and small group) who purchase non-grandfathered medical plans outside of HealthSource RI.[33,34]

Grandfathered medical plans (those created on or before March 23, 2010) do not have to offer EHBs, including pediatric dental. As such, they are exempt from the reasonable assurance requirement. Grandfathered medical plans are only available in the small employer market. There are no grandfathered medical plans in the individual market; this is due a decision by BCBSRI.[35]

Stand-alone dental plans may choose whether or not they cover the pediatric EHB outside of HealthSource RI. Those stand-alone plans that opt not to cover the pediatric dental EHB may offer adult coverage that excludes pediatric dental benefits. Adult only dental coverage will not fulfill reasonable assurance standards for those individuals and employers with non-grandfathered medical plans that exclude pediatric dental EHB. Consumers in this situation will have to buy either an embedded medical plan or a stand-alone dental plan that includes the pediatric dental EHB. Those stand-alone plans that do choose to cover the pediatric dental EHB must conform to HealthSource RI certification standards and mandated OHIC consumer protections and plan design specifications. These requirements include both federal and state mandates. Stand-alone dental plans who do offer the pediatric dental EHB will fulfill reasonable assurance requirements for consumers who want to buy non-grandfathered medical plans that exclude dental.[36]

- Available Financial Support for Pediatric Dental Coverage

  There is no mandated financial support for the purchase of pediatric dental coverage available outside of HealthSource RI in the individual and small group markets. Individuals qualifying for tax credits, cost-sharing reductions, or Medicaid/RIte Care coverage may only obtain these financial supports when enrolling directly through HealthSource RI. There are also no mandated requirements for small employers to contribute to the cost of dental insurance, which is similar to regulations in the small employer market on HealthSource RI. [37]

- Purchase Requirements

  Per the *ACA*, individuals and small employers who have non-grandfathered medical plans (those created after March 23, 2010) outside of HealthSource RI are required to obtain pediatric dental EHB. Consumers can fulfill this requirement either by purchasing a stand-alone dental plan or an embedded medical plan that covers the pediatric dental EHB. Small employers with grandfathered plans are not required to cover the pediatric dental EHB. As such, their employees will not have to purchase pediatric dental EHB coverage.

Individual and Small Employer Pediatric Dental EHB Regulations [38,39,40,41]

- Maximum Out-Of-Pocket Costs

  Mandated out-of-pocket caps referenced below are the maximum allowed in 2014. Depending on plan design and actuarial value, actual out-of-pocket caps may be lower than what is shown. Out-of-pocket caps may only apply to in-network, EHBs. Out-of-network services or

those not covered by EHBs are not subject to these spending caps and as a result, the consumer will be liable to pay those full expenses.

For non-grandfathered embedded medical plans, the maximum out-of-pocket cap is $6,350 for an individual and $12,700 for a family. Consumers with embedded medical plans have a single out-of-pocket cap that covers both medical and dental costs. Out-of-pocket pediatric dental costs that are in-network and covered by the EHB can be applied to the plan's overall out-of-pocket cap. There is no separate or additional dental out-of-pocket cap with embedded medical plans. As such, consumers with embedded medical plans may have lower total out-of-pocket costs/liabilities compared to those who purchase a medical only plan with a stand-alone dental plan. It is important to note that small employer embedded plans are exempt from fully meeting the maximum out-of-pocket requirement until 2015 if their plan has separately administered benefits, i.e. one insurer or administrator for its primary package of health benefits and a different insurer or administrator for discrete benefits. When this occurs, the plan must ensure that all benefits administered by each insurer or administrator are within those out-of-pocket limits if a cap already applies. These small employer plans with separately administered benefits do not have to ensure that the total out-of-pocket costs incurred across all benefit administrators are within the cap limit of $6,350 for an individual and $12,700 for a family. As result, some consumers with small employer embedded coverage may incur out-of-pocket costs above the mandated cap in 2014.

Stand-alone dental plans covering the pediatric dental EHB are subject to a maximum out-of-pocket cap of $700 per child and $1,400 for a family. The stand-alone dental out-of-pocket cap is in addition to and separate from the medical out-of-pocket cap. Out-of-pocket spending on stand-alone dental coverage may not be applied to medical out-of-pocket costs. Consumers with stand-alone dental and a separate medical plan are liable to pay all out-of-pocket costs for in-network covered EHB services that fall within both their medical and dental caps. As such, consumers total out-of-pocket spending may exceed those with embedded medical plans, especially those individual and small employer plans that do not have separately administered benefits in 2014.

Grandfathered plans and stand-alone dental plans that opt not to cover the pediatric dental EHB are not subject to these caps. This is due to *ACA* mandates regarding grandfathered plans and HIPAA excepted benefit regulations pertaining to stand-alone dental plans.[42]

2014 Rhode Island Commercial Pediatric Dental Coverage Summary Chart [1]

	HealthSource RI Plans		Not Sold On HealthSource RI	
	Individual Market	Small Employer Market	Individual Market	Small Employer Market
Plan Benefits				
Market Requirement to Offer Pediatric Dental EHB	Yes		Yes	
Plan Design				
Types of Dental Plans Allowed	Stand-Alone & Embedded Medical[2]	Stand-Alone Only	Stand-Alone & Embedded Medical[2]	
Plan Selection				
Financial Support for Pediatric Dental Coverage	Tax Credits; Cost-Sharing Reductions[3]	None; Optional Employer Contribution	None	None; Optional Employer Contribution
Requirement to Purchase Pediatric Dental Coverage	**No**; In Individual Market All Children Will Get Dental Benefits[4]; Small Employers Required To Offer Dental Insurance		**Yes**; Due to Reasonable Assurance[5]	
Consumer Protections				
Mandated Maximum Out-Of-Pocket Cap[6]	**Yes** Stand-Alone[7] ($700 per child, $1,400 per family) Embedded Medical[8] ($6,350 for an individual, $12,700 for a family)	**Yes** Stand-Alone[7] ($700 per child, $1,400 per family) Embedded Medical[8] Not Applicable	**Yes** Stand-Alone[7] ($700 per child, $1,400 per family) Embedded Medical[8] ($6,350 for an individual, $12,700 for a family)	**Yes** Stand-Alone[7] ($700 per child, $1,400 per family) Embedded Medical[8] ($6,350 for an individual, $12,700 for a family)

Please see next page for related footnote information

Chart Notes:

1. This chart does not show rules and regulations relating to small employer grandfathered plans or stand-alone dental plans that do not cover the pediatric dental EHB. Plans meeting this description are only available outside of HealthSource RI and will have differing purchase requirements and mandated out-of pocket caps than what is shown. In addition, this chart does not show the availability of and regulations relating to no cost pediatric dental coverage that is available through RIte Care/Medicaid. For more information on these exclusions, please read related sections of this brief.

2. Embedded dental plans are those that include medical and dental services in the same benefit policy.

3. Tax credits in the individual market are only available for those eligible individuals with household incomes under 400% of the Federal Poverty Level (FPL). Cost sharing reductions are only available for those eligible individuals with incomes below 250% FPL who buy silver embedded medical plans in the individual market. Cost sharing reductions do not apply to stand-alone dental plans, medical plans in non-silver tiers, or for those with incomes above 250% FPL. Only consumer applying through HealthSource RI can access this financial assistance.

4. All children enrolling in the individual market of HealthSource RI in 2014 will obtain dental benefits and coverage even though the purchase of pediatric dental is not required. This is due to prevalence of embedded plans, availability of RIte Care, and the 250% FPL income eligibility restriction placed on medical only NHPRI plans. All children in families with incomes under 250% who are citizens or have legal permanent resident status will be able to enroll in no cost medical and dental coverage through RIte Care/RIte Smiles. Those families with incomes above 250% will only be offered BCBSRI medical plans that embedded the pediatric dental EHB. Families purchasing coverage through the small employer market who do not qualify for Medicaid as well as adults enrolling in coverage in either market are not required to purchase dental benefits that are only available via a stand-alone plan.

5. Reasonable assurance is an *ACA* requirement that applies only to the individual and small group market outside of HealthSource RI. It stipulates that all non-grandfathered plans (those created after March 23, 2010) cover the pediatric dental EHB, unless they are reasonably assured that a potential enrollee has stand-alone dental coverage that includes the pediatric dental EHB. Those customers (individual or small employer) who indicate they do not have pediatric dental coverage through an Exchange certified stand-alone dental plan, will have to be offered medical coverage that includes pediatric dental benefits. Those customers, who indicate they have stand-alone dental coverage that includes pediatric dental benefits, will not have to buy an embedded medical plan. Insurance carriers will

likely determine reasonable assurance in a variety of ways.

6. Mandated out-of-pocket caps shown are the maximum allowed in 2014. Depending on plan design and actuarial value, actual out-of-pocket caps may be lower than what is shown. Out-of-pocket caps may only apply to in-network, Essential Health Benefit (EHB) services. Out-of-network services or those not covered by the EHBs are not subject to these spending caps and as a result, the consumer will be liable to pay those expenses.

7. The stand-alone dental out-of-pocket cap is in addition to and separate from the medical out-of-pocket cap. Out-of-pocket spending on stand-alone dental coverage may not be applied to medical out-of-pocket costs. Consumers with stand-alone dental and a separate medical plan are liable to pay all out-of-pocket costs for in-network covered EHB services that fall within both their medical and dental caps. As such, consumers total out-of-pocket spending may exceed those with embedded medical plans.

8. Consumers who have embedded medical plans have a single out-of-pocket cap that covers both medical and dental costs. Out-of-pocket pediatric dental costs that are in-network and covered by the EHB can be applied to the plan's overall out-of-pocket cap. There is no separate or additional dental out-of-pocket cap with embedded medical plans in individual market and for small employers who do not have separately administered benefits, i.e. one insurer or administrator for its primary package of health benefits and a different insurer or administrator for discrete benefits. As such, consumers with embedded medical plans may have lower total out-of-pocket costs/liabilities compared to those who purchase a stand-alone dental plan and a non-embedded medical plan.

For additional information, please contact Jim Beasley, Policy Analyst, Rhode Island KIDS COUNT at jbeasley@rikidscount.org.

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