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NICK GERHART
COMMISSIONER OF INSURANCE

Memo

Date: April 26, 2013

To: All Insurers Authorized to Write Health Insurance in Iowa

From: Nick Gerhart, Iowa Insurance Commissioner

Re: Treatment of Pediatric Dental Coverage Provided Through Stand Alone Dental Plans

This bulletin clarifies the Iowa Insurance Division's (IID) policy on required coverage of pediatric dental services for insurers offering health insurance plans outside of Iowa's Partnership Marketplace (Exchange) that will be established in Iowa. Further, to ensure that the state has an adequate, competitive, and healthy insurance marketplace, IID is requiring all health insurers authorized to write comprehensive individual and small employer group health insurance to provide a notice to policyholders indicating whether the policy being offered includes coverage of required pediatric dental services.

Section 2707 (a) of the Patient Protection and Affordable Care Act (ACA) requires that a "health insurance issuer that offers health insurance coverage in the individual or small group market shall ensure that such coverage includes the essential health benefits package (EHB) required under section 1302 (a) of the Patient Protection and Affordable Care Act." Section 1302 (b) includes as part of the EHB "pediatric services, including oral and vision care" [ACA § 1302 (b) (1) (J)].

Section 1301 (a) (1) of the ACA requires qualified health plans inside and outside of an Exchange to include the EHB. Section 1302 (b) (4) (F) of the ACA and 45 CFR § 155.1056 (d) state, however, that health insurance plans offered on an Exchange will not fail to be certified as a qualified health plan solely because the plan does not offer coverage of pediatric dental services, if a certified stand-alone dental plan covering these services is available in the Exchange.

The U.S. Department of Health and Human Services (HHS) provided recent guidance regarding coverage of pediatric dental services in the preamble of its final rule "Patient Protection and Affordable Care Act, Standards Related to Essential Health Benefits, Actuarial Value and Accreditation" stating:

In cases in which an individual has purchased stand-alone pediatric dental coverage offered by an Exchange-certified stand-alone dental plan off the Exchange, that individual would already be covered by the same pediatric dental benefit that is part of EHB. When an issuer is reasonably assured that an individual has obtained such coverage through an Exchange-certified stand-alone dental plan offered outside an Exchange, the issuer would not be found non-compliant with EHB requirements if the issuer offers that individual a policy, that when combined with the Exchange-certified stand-alone dental plan ensures full coverage of EHB. This alternate method of compliance is at the option of the medical plan issuer and would only apply with respect to

individuals for whom the medical plan issuer is reasonably assured have obtained pediatric dental coverage through an Exchange-certified stand alone dental plan.

As a result of this guidance, an inconsistency between plans operating inside Iowa's Partnership Marketplace Exchange as compared to health insurance plans operating outside of the Exchange has arisen. Although health insurance plans may exclude coverage of pediatric dental services if a certified stand-alone dental plan is available in Iowa, health insurers inside of the Exchange are not subject to the additional requirement of 'assuring' individuals and small employers purchase stand-alone dental coverage.

IID is concerned that this inconsistent treatment may result in consumer harm, create confusion within Iowa's competitive health insurance market, and create unfair competitive advantage for health insurance plans operating inside of the Exchange. Specifically, IID is concerned that consumers may be harmed by purchasing a product that they thought contained all EHBs.

Therefore, to ensure that consumer choice is not adversely impacted for those purchasing health insurance outside of the Exchange, and to ensure a competitive marketplace for insurers offering health insurance policies inside and outside the Exchange, all insurers offering comprehensive individual or small group health insurance plans in Iowa must disclose, at the time of solicitation, whether the plan covers pediatric dental benefits.

The disclosure shall be provided to the insured at the time of solicitation. Providing this notice with all health insurance policies sold inside or outside of the Exchange will provide reasonable assurance for health insurers that consumers are obtaining the coverage they need and want. Insurers failing to comply with this notice provision may be subject to administrative action pursuant to Iowa Code §507B.4(1)(a). Suggested language for the disclosure is provided below.

This Bulletin applies to all insurers offering comprehensive individual and small group health insurance plans that are effective beginning January 1, 2014. Any questions concerning this bulletin should be directed to Becky Blum at (515) 281-8245 or becky.blum@iid.iowa.gov.

Suggested language:

"This policy does not include pediatric dental services as required under the Federal Patient Protection and Affordable Care Act. This coverage is available in the insurance market and can be purchased as a stand-alone product. Please contact your insurance carrier, producer, or Iowa's Partnership Marketplace Exchange if you wish to purchase pediatric dental coverage or a stand-alone dental services product."