KANSAS DENTAL ASSOCIATION

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To: The House Committee on Insurance

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RE: **Support of HB 2283**– ensuring transparency in prior authorization act, and preventing retroactive denial from utilization review.

Chairman Sutton and members of the Committee, I am Daniel Nielson, an Oral & Maxillofacial Surgeon, and the President-Elect of the Kansas Dental Association (KDA) representing the dentists in the state of Kansas. Thank you for the opportunity discuss the KDA's **support of HB 2283.**

The KDA is in strong support of HB 2283 in conjunction with the Kansas Hospital Association, and other allied health provider groups of Kansas. Health care costs are increasing, and the patients we care for want to know what their treatment will cost. HB 2283 as you have already heard will provide transparency in the prior authorization process, by allowing a Kansans to know that their insurance company will be required to stand behind what they said they would pay, if you will a "Promise to Pay" from the patient's benefits. Additionally, a second common issue, addressed by this bill, is retroactive denial after the treatment has been completed.

As I private practice Oral Surgeon, I can attest we make great efforts to walk our patients through the process of explaining their condition, what treatment options are appropriate for them and lastly how the treatment will impact them financially. If a patient has insurance coverage, both medical or dental, the process can be complicated and intimidating. Dental offices across Kansas make great efforts to guide our patients through the maze that is their insurance benefits and make sure they are comfortable with the financial aspects of the proposed treatment. Despite our offices best efforts, and the delay a patient experiences in receiving their needed treatment to gain a prior authorization, I weekly see payments not received as stated on the prior authorization and even worse retroactively denied after treatment is received and the dental office has collected payment.

Currently without a prior authorization, the best a financial coordinator in a dental office can do is hope they can gain access to a policy document that states for certain category of treatment or specific treatment codes, insurance company XYZ will pay a set percentage of the Usual Customary Fee (UCF). Even if this information was readily available, it can still be extremely inaccurate. This is because it does not reflect the many exclusions, restrictions and caveats insurance companies have in their polices, which seem to be almost impossible to find

as a dental office. A brief, but not exclusive, list of these issues include: is the service a covered service, if payment can be received are their stipulations for that coverage, ("missing tooth clause" for example) is prior treatment needed before a particular code will be covered, is medical necessity criteria satisfied, etc. This non-inclusive list is just to see if the code will be covered, then the task of determining what will be paid and by whom. This is usually broken down to the amount the insurance company will pay, what the patient will pay and what will be "written off." If this sounds daunting, it is, and not uncommon to take 30-45 minutes at a minimum for a dental staff member via phone call or internet inquiry for a single patient! If a typical dental office has 15-25 patients per day you can see how this can tie up staff members' time, increasing the overhead of a dental office, impacts access to other patients for scheduling and even drives up the cost of their care. An overwhelming majority of dentists across Kansas operate dental practices that are small businesses and are trying to hold down unnecessary and burdensome costs, while serving the community.

In an attempt to circumvent this inaccurate and laborious process, we then offer the patient a service of filing for a prior authorization. This written communication from an insurance provider requires a dental office to file documents, x-rays and appropriately coded treatment plan for the insurance company to review. Occasionally the insurance company will require further information, but at the end of the process a document is provided as a prior authorization. This document in my practice usually takes 3-5 weeks to get, although this delay is not ideal many patients want to know the financials before committing to the procedure. This documents answers all of the above variables mentioned, but is not always honored by the insurance company or utilization review entity.

If a prior authorization has been received and the patient and the dental office have agreed to move forward with treatment, we are not out of the woods! A second issue that commonly complicated the dental office / patient relationship is the possibility of retroactive denial. Despite the delay to treatment, the numerous communications between dental office and insurance company and dental office and the patient, also the fact that treatment has already been rendered and the patient usually paying their prior authorized amount, the claim is denied! Now the patient is "stuck" with owing a much larger amount, in my office, the extraction of a set of four wisdom teeth under IV anesthesia could be a difference of more than $1,500. Unfortunately, this situation is forced to be handled by the dental office and not rectified by the insurance carrier that caused the confusion and misrepresentation. Rightfully so the patient is upset and surprised, usually asking if we are being deceptive in our business practices or are we incompetent in our knowledge of insurance coverage. Neither is the case, but I can understand their frustration and questions! What dental practices really struggle with is to the best of our legal abilities, we did our due diligence for the patient to prevent putting them in a bad financial situation.

The scenario is this – the legal practice of insurance providers, regarding prior authorization and retroactive denial, is causing a trust to be lost between the dental provider/office and our patients. As a dental provider and an owner of an oral surgery practice I strive to gain the trust

of my patients under my care, from both a surgical and financial standpoint. HB 2283 is a big step in financial transparency for the people of Kansas with their healthcare and would align us with 11 other states with similar prior authorization protections for citizens. As a legislator, please provide your support to this bill, and lets regain some of the trust that has been chiseled away from the people of Kansas!

Again, I'd like to thank the health care provider groups of Kansas for working together with the KDA, to bring this bill forward and before your today. Thank you for the opportunity to testify today in support of HB 2283. I will be happy answer any questions you may have at the appropriate time.