



Date: February 8, 2022

To: The House Committee on Health and Human Services

From: Kevin J. Robertson, CAE
Executive Director

RE: **Support of HB 2386**

It is my honor and pleasure to represent the dentists in the state of Kansas, as President of the Kansas Dental Association this year. As a practicing dentist and small business owner in Kansas for almost 22 years and a specialist in pediatric dentistry for the last 17 of those years, I am happy to give my personal explanation to this committee as to the relevance and necessity of your support for HB 2386.

I have always centered my small business around one thing: the patient. My team will tell you that every system or standard operating procedure we develop is focused entirely on the best patient care outcome. I am fully aware that as the leader of the team both as the business owner and dentist, there are often obstacles to ideal patient care. Sometimes those obstacles are presented by the patient themselves, in my case as a pediatric specialist, fear and apprehension of a child (and parent) can lead to obstacles and difficulty in treatment. As a business owner, I know everyone is fully aware of the obstacles to retaining and hiring employees across all sectors right now. These obstacles are simply part of the process, and the privilege of owning a business and serving patients. The items discussed in HB 2386 are more than obstacles, however, they are roadblocks to a successful dentist-patient relationship. Thankfully, the simple changes presented in the bill, can have a great impact on the dental patients of Kansas.

As a pediatric dentist, I feel I have an obligation to treat all children regardless of their socioeconomic status or type of insurance coverage. However, it is imperative as a small business owner that I have oversight and choice in the insurance programs I participate with. Imagine owning a grocery store, and agreeing to a coupon with your canned food supplier. You look at your margins and decide that a coupon for 'buy 4 cans and get one free' makes sense for your business. But low and behold, you review your month end reports and realize the coupon was extended to two other canned goods suppliers without your consent, yet their coupon was 'buy 4 cans get 3 free'. Without your knowledge or approval, signing up for that

one coupon, allowed that company to fall under a larger umbrella of companies that significantly discounted your fees...without your knowledge or consent.

In dentistry, dental insurance carriers are currently allowed to lease their existing provider network to another third-party entity, without the knowledge or permission of those provider dentists. As such, I unwillingly can become a provider to other insurance companies, whose policies I know nothing about. Without my knowledge, I may go through all of the steps of welcoming a new family into my practice, spending significant time and resources to get and study their prior records, review their medical history and seek and track any specific medical consults I need from their physician, welcome and acclimate the family to my practice, my treatment philosophy and values, only to find they are being covered by an insurance that I know nothing about and reimburses me for less than the cost it requires to serve this family.

Now what? It will likely take me up to 90 days, and many unplanned employee hours, to contact this new insurance company to get out of a network that I never agreed to be in the first place. After all of the time spent developing a connection with this family, I will have to call and let them know that I can no longer accept their insurance. Of course, the family doesn't understand why. I was on their list of providers. They did what they were supposed to do! And I just spent so much time demonstrating how much I care for their children? Am I just a greedy dentist who is all about the money?

Back to our analogy... Outside of my knowledge, and without my permission, the initial coupon that I agreed to, with the insurance carrier I trusted, turned into a coupon that is untenable to run a business. But to the lay person/patient this is somehow the dentist's fault. Unfortunately, the patient also suffers by being left to try to navigate the process of finding a new provider for their family and get the necessary treatment that was already diagnosed. HB 2386 provides transparency to this process by allowing the dentist to opt out of a potential leasing contract while maintaining the coverage agreed to with the original network or by allowing a dentist to not participate in third party access. Basically, if I agree to a 'buy 3 get one free' coupon, that agreement cannot be altered without my permission.

The other provision in HB 2386 addresses how a dentist can be paid by an insurance carrier. We are all aware that accepting credit cards and the fees associated with that convenience is a necessary part of running a business these days. And savvy business owners understand the convenience and quick turnaround of a credit card payment is worth accepting the percentage costs to the credit card processing companies. However, more recently insurance companies are utilizing 'virtual credit cards' to provide payment to their participating dentists. It seems so easy... A fax comes through and your admin team simply enters the credit card information for payment. Quick, easy...and expensive!

Instead of taking a calculated loss on a credit card payment from a patient as a point-of-sale convenience, dentists are being forced to take an unnecessary loss, sometimes up to an additional 5% less than what was contractually agreed to with an insurance carrier. Many young

dentists are just happy to get paid and have no idea that there are other ways to get reimbursed just as quickly, through automatic bank deposit or EFTs with no additional costs to them. According to the ADA, the advantage to insurance companies is that an incredible amount of royalties is rolling in to them through their credit card processing relationships.

And back to our primary focus, how does this affect the patient? Because I have a dedicated team overseeing my accounts receivable, we had been accepting virtual credit card payments for years, completely unbeknownst to me. They simply assumed we had to accept payment through a virtual credit card as part of our agreement with the insurance carrier, and had no reason to bring it to my attention. Should I have known better? When we finally realized what was happening last year, as I began working on this bill, my team started calling each insurance company utilizing this payment method, often waiting on hold for up to 30 minutes with each carrier to alert them we never agreed to virtual credit cards and wished to receive payment through automatic deposit and/or mailed checks. In my case, the virtual credit cards made the insurance company tens of thousands in royalties from my practice alone, and cost me personally over twice as much in unnecessary charges. Thankfully we caught the problem before it cost me even more and possibly forcing me to recoup those unnecessary charges by increasing fees to our patients. HB 2386 simply says dentists must be aware of the payment options for reimbursement up front and with transparency, instead of finding out after the fact and jumping through hours of admin hoops, as we had to do in my practice with a significant loss that I still cannot recoup. Extrapolate my individual costs to our state level and nationally, to imagine how many millions of dollars have been taken out of the hands of dentist small business owners, raising costs to patients, and padding the pockets of insurance companies.