

Dr. Daniel Miller – SB 281 Testimony

Thank you, Chairwoman Rogers and the Committee for inviting me to testify in support of SB 281. And a special thank you for allowing me to present virtually from my office.

My name is Dr. Daniel Miller and I am a pediatric dentist who practices out of both Grand Rapids and Muskegon Michigan. I work with a group that has 6 offices and a dozen doctors. I am involved with the Michigan Dental Association at both a local and state level. I have served on the MDA Committee on Government and Insurance Affairs since 2021 and currently serve as the Vice Chair.

In my roles within the practice and the Michigan Dental Association I have had the opportunity to hear how dental network leasing has impacted dentists and our patients. I have condensed those experiences down to 3 issues with real-life examples that MDA member dentists have faced.

1) My first issue is the most common issue. This is when a network is leased to a 3rd party without proper notice being given to in-network providers.

- When this happens, patients will be directed to the in-network provider and the staff may bill the patient as out-of-network. This means the patient pays out-of-pocket and expects to be reimbursed directly by their plan.
- However, since the patient is actually in-network, the plan will remit an in-network payment to the dentist.
- At this point, the office has to spend hours to determine why the claim was processed as in-network, coordinate a refund of the out-of-pocket expenses, and explain the situation to the patient.
- All of these steps take time away from addressing another patient's dental needs. This also harms the provider-patient relationship because patients blame the dental staff for the confusion.

SB 281 will require more transparency and disclosures from companies engaged in network leasing and therefore will help avoid this scenario and protect the provider-patient relationship all while helping patient's maximize their benefits.

2) My second issue can occur when a provider joins a network that is leased.

- Even though a provider may be in-network, 3rd parties can take several weeks to months to update their systems so providers can bill as in-network. As a result, patients are required to pay out-of-pocket and are unable to maximize their benefits.
- This issue is particularly problematic when a temporary dentist is needed in an office due to illness, parental leave, or other issue.
- In one case from December 2022, a dentist took 12 weeks off for maternity leave. The dentist worked with the dental benefits company they contracted with to set up their temporary dentist before going on leave.
- However, the 3rd parties that leased the network did not recognize the temporary dentist for the entire duration of the maternity leave and were unwilling to process claims as in-network until the original dental benefits company instructed them to do so.
- Additionally, those 3rd parties refused to honor the effective date of the signed contract, which meant all of the temporary dentist's claims over 12 weeks were processed as out-of-network. By

the time the 3rd parties recognized the temporary dentist, the temporary dentist had left the office. The last claims were reprocessed and reissued in July of 2023, which means this issue took 7 months to resolve.

SB 281 directly addresses this by requiring 3rd parties to meet the original company's responsibilities in the original contract.

3) My third and final issue that I'll highlight occurs when a dentist terminates their participation contract with a dental benefits company that is engaged in network leasing.

- Since a provider only signed a contract with the original company, the expectation is that their termination is effective for all 3rd party networks immediately.
- However, it often takes several weeks for 3rd parties to remove the provider from their network. In extreme circumstances, I've heard about members who are still considered "in-network" by 3rd parties more than 6 months after terminating their original contract.
- During this time, 3rd parties continue to process claims as in-network, despite there being no active contract with the provider.
- These issues are extremely challenging for offices to address because 3rd parties are unwilling to reprocess claims, unless the original company directs them to do so.
- Beyond the challenges of working with the original company to issue such a request, the reprocessing can involve significant amounts of paperwork and take several months to finalize.

SB 281 requires 3rd parties to honor the effective termination date, which will set clear guidelines for dental benefits companies to inform 3rd party companies about changes to their network in a timely manner.

These examples are real-life issues that dentists and our patients face with network leasing. SB 281 addresses these issues by requiring more transparency, more disclosures, and more options for dentists to be able to serve our patients.

Thank you for the opportunity to discuss the importance of SB 281 for dentists and patients. I need to return to my patient's so I have briefed my colleague Neema on these matters and he is prepared to answer any questions that the Committee may have. Thank you for your time and I look forward to the continued working relationship between the Michigan Dental Association and the great State of Michigan.