

REG-118412-10

LEGAL PROCESSING DIVISION
PUBLICATION & REGULATIONS
BRANCH

PUBLIC SUBMISSION

As of: September 09, 2010
Received: August 16, 2010
Status: Posted
Posted: September 09, 2010
Tracking No.: 80b3258d
Comments Due: August 16, 2010
Submission Type: Web

Docket: IRS-2010-0010

Group Health Plans and Health Insurance Coverage Rules Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Affordable Care Act

Comment On: IRS-2010-0010-0001

Group Health Plans and Health Insurance Coverage: Interim Final Rules for Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act

Document: IRS-2010-0010-0918

Comment on FR Doc # 2010-14488

Submitter Information

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Organization: Delta Dental Plans Association

General Comment

See attached file(s)

Attachments

IRS-2010-0010-0918.1: Comment on FR Doc # 2010-14488

August 16, 2010

Office of Health Plan Standards and Compliance Assistance
Employee Benefits Security Administration
Room N-5653
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210
Attention: RIN 1210-AB42

Office of Consumer Information and Insurance Oversight
U.S. Department of Health and Human Services
Attention: OCIIO-9991-IFC
Mail Stop C4-26-05
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CC::PA:LPD:PR (REG-118412-10)
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Re: Comments on Interim Final Rules for Grandfathered Health Plans Under the PPACA

To Whom It May Concern:

I am writing on behalf of the Delta Dental Plans Association (DDPA) in response to the invitation for comments included in the "Interim Final Rule for Group Health Plans and Health Insurance Coverage Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Affordable Care Act." See 75 *Fed. Reg.* 34537 (June 17, 2010). Our member companies are providers of stand-alone dental benefit programs that are "excepted benefits"; group health plans separately contract with our members to provide dental-only coverage to employees.

DDPA is providing comments with respect to that portion of the Interim Final Rule regarding subsection (g)(1) that establishes rules for changes causing cessation of grandfather status. Because stand-alone dental benefit plans are "excepted benefits" and are not subject to the insurance market reforms of the PPACA, we believe that it is important for the final rules to clearly state that the requirements of subsection (g) do not apply to such stand-alone dental benefit plans in connection with a group health plan.

Specifically, guidance is needed when a "grandfathered" group health plan or group health insurance coverage has provided "bundled" benefits that combine medical and dental benefits as

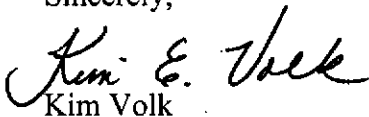
one benefit package. If a “grandfathered” plan chooses to continue the dental benefits but as a separate, unbundled dental benefit, that stand-alone dental-only benefit plan would be considered an “excepted benefit” plan. This type of benefit design change does not have the adverse consequences of substantially altering the benefits provided to covered persons. Accordingly, this benefit design change should not impact the grandfathered status of the medical health plan.

Likewise, in cases where a “grandfathered” group health plan or group health insurance coverage changes dental benefit providers of stand-alone dental coverage without substantially altering the level of benefits, the regulation should be clarified to state this should not be viewed as a change that by itself would cause the plan or insurance coverage to lose “grandfathered” status.

At this point, group health plans are wary of any change to their benefits which may jeopardize “grandfathered” status. The above comments will clarify the result of making changes to the dental benefit, which typically is a stand-alone “excepted benefit” and therefore should not impact a group health plan’s grandfather status. Absent this clarity, insurers who currently provide bundled benefits to group health plans are being given an unfair competitive advantage in the marketplace. This uncertainty also may result in a group health plan retaining a dental benefit package which is not the most advantageous for consumers and/or is not the most cost efficient dental benefit package. Clearly, these consequences were not, and in fact are contradictory to, the intent of health care reform. The above clarifications will enable group health plans to provide the most cost effective and/or highest level of dental benefits to their members.

We very much appreciate the opportunity to provide these comments on this important interim final regulation. Please feel free to call me or my staff if you have any questions or comments.

Sincerely,



Kim Volk
President and CEO

About Delta Dental

Delta Dental is the nation’s largest, most experienced dental benefits company. Since 1954, Delta Dental has worked to improve oral health in the U.S. by emphasizing preventive care, and making quality, cost-effective dental benefits affordable to a wide variety of large and small employers and groups. A nationwide system of dental health service plans, Delta Dental offers custom programs and reporting systems that provide employees with quality, cost-effective dental benefit programs and services. Our nationwide network serves more than 54 million Americans in over 93,000 group plans across the nation.