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Mike Kreidler
Insurance Commissioner, Washington State
P.O. Box 40255
Olympia, WA 98504-0255

Re: Request for Assessment of Premera Blue Cross Dental Services Rate Cut and
Determination Regarding Adverse Effect on Dental Network Adequacy

Dear Commissioner Kreidler:

This letter is intended to inform you that Premera Blue Cross (“Premera”) reduced the reimbursement rates as much as 30% for some preventive and diagnostic procedures in Washington in 2018. *See* Appendix 1. We respectfully request that the Office of Insurance Commissioner (“OIC”) take the following actions: (1) freeze the Premera Blue Cross rates for dental services pending an assessment and determination regarding whether the rate cut will adversely affect network adequacy; and (2) undertake the aforementioned assessment.

Premera offers Qualified Health Plans and a Qualified Pediatric Dental Plan under the Washington Health Benefit Exchange (“Exchange”), as well as other dental plans within the state. As such, Premera is subject to certain network adequacy requirements that must satisfy at least the following standards:

- The network is sufficient in number and type of providers . . . to assure that all services will be accessible without unreasonable delay;
- Includes essential community providers in accordance with 45 C.F.R. §156.235 or meets the alternate standard; and
- Is consistent with the network adequacy provisions of section 2702(c) of the PHS Act (45 C.F.R. §156.230(a)) and WAC 284-43-9970, *et. seq.*, and any subsequent rules issued by the OIC.¹

¹ Guidance for Participation Of Dental Plans in the Washington Health Benefit Exchange, Washington Health Benefit Exchange (2018), available at https://www.wahbexchange.org/wp-content/uploads/2017/02/HBE_PMW_170201_2018_QHP_Guidance_For_Participation.pdf.

Each enrollee must have adequate choice among health care providers, including qualified health plans and qualified stand-alone dental plans.² For qualified health plans that include pediatric oral services or qualified dental plans, thirty percent of essential community providers in the service area for pediatric oral services must be included in each issuer's provider network.³ These network access requirements apply to stand-alone dental plans offered through the Exchange or where a stand-alone dental plan is offered outside of the Exchange for the purpose of providing the essential health benefit category of pediatric oral benefits. All such stand-alone dental plans must ensure that all covered services to enrollees will be accessible in a timely manner appropriate for the enrollee's conditions.⁴

We are concerned that Premera's significant reduction in the reimbursement rates for dental services in Washington may result in a number of dental providers leaving the Premera network. This is a substantial reduction in reimbursement across the board for all dental services, including pediatric dental services. *See* Appendix 2 comparing the Premera rates effective July 2018 with FAIR Health aggregated data at the 80th and 50th percentiles for a Redmond, WA zip code. A large-scale withdrawal of dental providers could impact the adequacy of Premera's provider network and patient access to dental services within the state. This is particularly true for pediatric dental services. "While CHIP and Medicaid have built strong pediatric provider networks, low provider reimbursement rates have consistently been cited as a factor deterring providers from engaging with public programs, particularly Medicaid."⁵

The OIC is tasked with enforcing the network access requirements and monitoring issuers, such as Premera, for noncompliance. Further, as an issuer of these plans, Premera is required to demonstrate that, for the plan's defined service area, all services required under WAC 284-43-5700(3) and 284-43-5702(4), as appropriate, are available to all enrollees without unreasonable delay.⁶ As such, we respectfully request that OIC (1) freeze the Premera Blue Cross rates for dental services pending an assessment and determination regarding whether the rate cut will adversely affect network adequacy; and (2) undertake an assessment to determine if Premera will remain in compliance following implementation of its cut in reimbursement for dental services.

Thank you for your assistance in this matter. Please do not hesitate to contact me if you have any questions or if you would like any additional information.

Sincerely,

HALL, RENDER, KILLIAN, HEATH & LYMAN, LLC

A handwritten signature in black ink, appearing to read "E. Studebaker", written in a cursive style.

Emily R. Studebaker

² WAC 284-170-200(2).

³ WAC 284-170-310(3)(e).

⁴ WAC 284-170-200(14).

⁵ Key Implementation Issues: Network Adequacy, National Academy for State Health Policy, last accessed April 19, 2018 at <https://nashp.org/network-adequacy/>.

⁶ WAC 284-170-200(14)(a).