

Chair Patterson, Vice-Chair Hayden, and Members of the Committee

My name is Scott Hansen from Sandy, Oregon and am submitting testimony in favor of SB 532. While this bill seeks to ensure that dental insurance, which I would argue is not insurance but a benefit, should be clear, fair, and prompt for both patients and dentists, increases insurance reliability and predictability for patients and dentists and make dental laws consistent with medical insurance, I would like to address in my remarks the “assignment of benefits” portion of the bill.

I graduated from OHSU in 1987 and since then have strived to treat all my patients as I would want to be treated. There have been times when my patients have had their employers change their dental plans to ones that were either closed panels, meaning they had to see a dentist part of a large corporate entity, or a PPO that we were not part of. We always told our patients that we wanted them to do what was best for them and we understood if they felt they had to seek care elsewhere. Some would stay and some would leave. Of those who left, it was amazing how many would come back to our office because of how they felt we cared for them. Some willingly paid a higher co-pay and some would have to pay the entire fee because they had no benefit in our practice.

If our office was not part of their plan’s PPO, most plans would allow them to assign their benefit directly to us so the benefit company would make their payment directly to our office. But there are a few companies that will not allow the patient to have their payment sent directly to the non-PPO dentist’s office but send the check to the patient. While this might not seem like a big deal, what it does is it forces the patient to pay the dental office at the time of service out of their own pocket and then wait to be reimbursed. This is because most offices know that the benefit plan company WILL pay. It would be nice if we lived in a world where we had complete confidence that individuals would pay their bills but we all realize that is not always the case. So, most offices have to collect at the time of service or risk not being paid or having to spend too much time and resources to collect. This might not be a burden to some patients who can afford to make the payment and wait to be reimbursed, but to most patients, it is a huge financial stress. The state of Oregon understands this concept extremely well. The Department of Revenue requires all employers to withhold each employee’s state income tax owed from each check each payroll period. The employer then has to send those tax payments to the state by the required time or pay a penalty along with the taxes owed. The amount of revenue generated from each employee’s tax obligation should be the same if the state allowed the employee to make the payment themselves. But you and I both know the compliance rate would go way down and the state would have to spend way more to collect it.

Dental benefit plans, insurance companies, use this to coerce patients to see providers in their PPO. When patients choose to see a provider out of network, they usually receive a letter that

disparages those who aren't in network and really tries to intimidate them. They try to take away their freedom to seek care from whom choose. We can talk to them about the letter and explain to them what it really means and that almost always allays their fears. But having to make an out-of-pocket payment is often a bridge too far. The funny thing is, it actually makes more work, and costs the carrier more money by having to mail checks to individual patients than to send one check to the practice for all the patients who are covered by their plan. The amount they pay is the same no matter who they send the check to. It is just an attempt to take away freedom of choice.

And like I said, it is only a few companies who will not allow assignment of benefits. But for those patients whose plans don't accept assignment of benefits and who truly can't afford to pay out-of-pocket at the time of treatment, it would give them more freedom to seek care from whom they really want.

Thank you for holding a hearing on this matter.

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