

## Lou Mansolillo

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**From:** jeffrey nauges <jnauges@gmail.com>  
**Sent:** Wednesday, April 23, 2025 9:34 AM  
**To:** Rep. Fogarty, Kathleen A.; Rep. Shekarchi, K Joseph; Governor (GOV); Rep. Solomon, Joseph J. Jr.; Rep. O'Brien, William W.; Rep. Caldwell, Justine A.; Rep. Casey, Stephen M.; Rep. DeSimone, Anthony J.; Rep. Newberry, Brian C.; Rep. Sanchez, Enrique George; Rep. Serpa, Patricia A.; House Corporations Committee  
**Cc:** sheldon\_whitehouse@whitehouse.senate.gov  
**Subject:** H-6155 Amending R.I. Gen. Laws Section 27-9.1-1, et seq. of Title 27, the Unfair Claims Settlement Practices Act.

Honorable Representatives,

First let me sincerely pass along my condolences on the passing and loss of your colleague and our fellow Rhode Islander, Senate President Ruggiero.

I'm reaching out today as a seasoned licensed Life and Health professional, business person, concerned local taxpayer and policy holder of a group dental plan. I urge you to oppose this legislative effort.

Senate Bill 0905 poses a serious threat to Rhode Island's proven model of network-based managed care, a nationally recognized framework for balancing cost control, quality care, and consumer protection. The proposed amendments to the "Unfair Claims Settlement Practices Act" singularly targets dental benefits, while leaving managed care protections for medical, hospital and vision coverage untouched—an attack that would never be considered in any other area of health care.

If enacted, this bill would dismantle decades of carefully crafted legislation designed to create value-based dental networks, protect patients, and detect fraud, waste, and abuse. It would eliminate the ability to adhere to client contracts—including those of the State of Rhode Island and Neighborhood Health Plan of Rhode Island, rendering NHPRI unable to engage in and offer dental coverage through its government programs.

The proposed legislation would cause greatest harm by prohibiting dental insurance plans from offering higher reimbursements to dentists who participate in networks and agree to value-based, managed care standards and the proposed elimination of critical claims review processes. These contractual standards are industry best practices which serve as essential safeguards that help maximize patients' benefit dollars, prevent surprise balance billing by dental offices and ensure consistent, high-quality care. **Stripping them away would undermine consumer protections, drive up costs, and erode the quality and oversight of dental care in our state.** Posing the bill as a "direction to pay" provision, 34(i); creates redundancies and is misplaced in this law.

### **An Exponential Increase in Out-of-Pocket Expenses**

The consequences of the proposed provision 34(ii) regarding out-of-network reimbursement would be immediate and far-reaching, undermining critical cost and quality controls and shifting the burden onto workers, retirees, employers, organized labor, municipalities, and the State of Rhode Island—not only as a major purchaser of dental benefits, but also as a steward of public oral health.

A core feature of dental networks is protecting patients from balance billing by requiring in-network dentists to accept contracted rates as full payment. This bill would dismantle that protection. **By allowing non-network providers to receive the same reimbursement without adhering to any contractual obligations and credentialing standards, it would expose patients to unlimited balance billing and significant increases in out-of-pocket costs.**

At a time when health care expenses continue to rise, this proposal would remove essential cost-containment measures and drive up premiums and out-of-pocket costs by encouraging dentists to leave insurance networks. Employee, Labor Union and State sponsored exchange based dental benefit programs are designed to prioritize in-network services, providing the greatest value to both dental carrier clients and their enrolled employees. Without financial incentives for dentists to participate in a dental carrier's network, the number of non-participating providers would quickly grow well beyond the minimal out of network (just 5% today). As discounts tied to network participation disappear, employer and patient costs would rise to unprecedented levels, forcing businesses to reconsider whether offering dental benefits remains viable.

**This would be truly radical legislation.** No other state has enacted a law requiring managed care health plans—dental or medical-- to reimburse non-participating providers at the same rates as network providers for non-emergency services, as S-0905 proposes. A similar attempt by dentists in Washington State earlier this year failed to advance and was not taken seriously, dying in committee.

### **Eliminating Patient Protections against Fraud, Waste and Abuse**

The proposed provision 34(ii) also calls for eliminating claims review. This change poses serious risks to patient care and safety by removing requirements for dental providers to follow established safeguards—such as utilization review and quality assurance measures that prevent fraud, waste and abuse. These protections have long applied, not only to commercially insured dental patients but also to commercially insured medical patients and those in Rhode Island's managed care system, where similar **standards are federally mandated by CMS.**

Yet under this bill, a dental provider would only need to show that a service was performed to receive full payment, regardless of whether it was necessary or met accepted standards of care. **This would dismantle decades of regulatory and contractual practices that ensure appropriate, high-quality, and cost-effective treatment, exposing patients to unnecessary and potentially harmful procedures.**

The provision eliminating claims review would directly violate existing multi-year contracts with the State of Rhode Island and Neighborhood Health Plan of Rhode Island (NHPRI), both of which require a robust claims review process. Eliminating these critical safeguards would have unintended consequences, breach contractual obligations and undermine long-established accountability measures that protect patients, taxpayers, and the integrity of the healthcare system.

Delta Dental estimates that the cost to the State of Rhode Island alone would be an additional \$1.2 million over the life of its dental contract due to this shift, without accounting for the even greater financial burden on employees and their families, who would face unpredictable and unchecked charges from providers.

### **Further Legal Flaws and Contradictions**

While S-0905 unfairly targets only dental benefits for the dismantling of contracted managed care plans and networks, it remains silent on similar arrangements for medical, hospital, or vision coverage. **The bill is also fundamentally incompatible with existing Rhode Island laws that govern managed care contracts, provider networks, and payment systems, including:**

- **R.I. Gen. Laws § 42-14.15-3 (OHIC's authority over provider contracting, payments, network standards, value-based care contracting, and utilization review),**
- **§ 27-20.1-18 (Assignment of Benefits),**
- **§ 27-18.8 ("Health Care Accessibility and Quality Assurance Act" and related network certification and provider contracting regulations, 230-RICR-20-30-9),**
- **§ 27-18.9 ("Benefit Determination and Utilization Review Act" and its related regulations, 230-RICR-20-30-14 on network plans and standards).**

In addition, S-0905 is improperly placed within the Unfair Claims Practices Act (Title 27, Section 9.1), which is under the

jurisdiction of the Department of Business Regulation (DBR). However, health plans, managed care organizations, and provider networks— the true focus of S-0905—are regulated by the Office of the Health Insurance Commissioner (OHIC), not DBR. Enacting S-0905 would create serious legal inconsistencies and regulatory confusion, undermining the current healthcare oversight system.

**Further, the bill would clearly violate federal law.** The Rhode Island Unfair Claims Practices Act applies broadly to all health plans and third-party administrators, including self-insured groups and administrative services only (ASO) arrangements. Under the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. §1144, state regulation like that proposed in S-0905 is preempted, especially when it directly impacts claims costs. **Additionally, the bill attempts to regulate insurance policies not issued or delivered in Rhode Island and entities beyond the State’s jurisdiction, which is plainly illegal.**

In conclusion, S-0905 would significantly undermine access to dental care in Rhode Island by driving up costs for patients, employers, and the healthcare system at large. The American Dental Association and its Health Policy Institute consistently report that cost is the largest barrier to care. Higher out-of-pocket costs inevitably lead patients to delay necessary care until problems become more serious and more expensive to treat. At the same time, employers facing escalating medical coverage expenses would have little choice but to eliminate dental benefits or shift the full cost onto employees, further eroding access. No constituency would be spared from the negative consequences of this legislation — not even the proponents, who seek to remove pricing constraints while still benefiting from third-party payments. Rhode Island’s current system, built on broad dental coverage and a robust managed network, has resulted in some of the best oral health outcomes in the nation and is a model of balance and effectiveness. There is no sound reason to jeopardize it with the passage of S-0905

For all the reasons cited above, it is imperative to maintain systems that promote affordability and accountability. Senate Bill - S 0905 would have the opposite effect, raising costs, reducing protections and limiting access to care for all Rhode Islanders.

We urge you to reject this measure and protect businesses and families from unnecessary financial burdens.

Thank you for your consideration.

Respectfully,

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