

By Electronic Mail Only

April 1, 2025

Joint Standing Committee on Health Coverage, Insurance and Financial Services  
c/o Legislative Information Office  
100 State House Station  
Augusta, ME 04333

Re: Testimony in Opposition to LD 1058

Senator Bailey, Representative Mathieson and members of the Committee, I am Brian Duffy, Vice President and General Counsel at Northeast Delta Dental.

The Delta Dental Plan of Maine d/b/a Northeast Delta Dental ("Delta Dental") respectfully submits this testimony in opposition to LD 1058. As Maine's largest dental benefits administrator, Delta Dental administers dental benefits for over 350,000 Mainers who would see their cost of coverage increase if this bill were to pass.

The reason for this is that application of LD 1058 will result in duplicate payments to dentists or, where patients see out of network dentists without assigning benefits, duplicate payments to a patient. The cost for these duplicate payments will be borne by the group and individual subscribers whose premium payments go to paying dentists.

To understand how this would work, please consider the following example. A person with two dental coverages goes to a dentist for a cleaning, for which the dentist bills \$150. Under typical coordination of benefits rules, the patient's primary insurer may pay its network rate of \$120 and the patient's secondary coverage would pay the remaining balance, but in no event more than the total amount charged or covered under that plan.

If LD 1058 were to pass, the patient would go to the dentist for a \$150 cleaning, the patient's primary insurer would pay the dentist \$120 and the patient's secondary insurer, prohibited from coordinating with the primary insurer, would also pay the dentist \$120, resulting in a \$90 overpayment to the dentist. If the dentist were not in network with either insurer and the patient did not assign his dental benefits under 24 M.R.S. § 2332-H, then the patient would collect \$240 in dental benefit payments for \$150 in services.

As the foregoing examples illustrate, insurance carriers coordinate benefits for good reason: to avoid overpayment and duplicate payments. Although the dollar figures in the above examples are low, when such duplicate and overpayments are carried across hundreds of thousands of claims, the cost of prohibiting coordination of benefits would mount to the millions.

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**Brian Duffy, Esq.**  
**Vice President and General Counsel**  
Northeast Delta Dental  
One Delta Drive  
PO Box 2002  
Concord, NH 03302-2002

Telephone: 603-223-1202  
Fax: 603-223-1035  
Email: bduffy@nedelta.com



LD 1058 also suffers from another infirmity: it ignores the fact that federal law requires Medicaid and Medicare Advantage plans to coordinate benefits. Applicable to any “policy that provides benefits for dental services,” LD 1058 would apply to MaineCare. Under Subpart D of 42 CFR Part 433, Medicaid is the payor of last resort, meaning that all other sources of coverage must pay claims under their policies before Medicaid will pay for care. In other words, Medicaid plans must coordinate benefits.

LD 1058 is a deeply flawed bill that conflicts with federal law and which will cost Mainers millions of dollars when dental plans make over or duplicate payments to dentists and insureds.

For the foregoing reasons, I ask that this Committee vote that LD 1058 ought not to pass.

Sincerely,

\s\ Brian Duffy

Brian Duffy, Esq.

Brian Duffy  
Northeast Delta Dental  
LD 1058

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