McCarran–Ferguson Repeal for Health Insurance

S. 350/H.R. 1418

The American Dental Association (ADA), as the nation’s oldest and largest dental professional organization, representing over 163,000 members; and the American Student Dental Association (ASDA) representing more than 24,000 dental students in 66 dental schools across the U.S., strongly support amending the McCarran–Ferguson Act to empower the Federal Trade Commission and U.S. Department of Justice to enforce the full range of federal antitrust laws against health insurance companies engaged in anticompetitive conduct.

S. 350, introduced by Sens. Daines (R-MT) and Leahy (D-VT) and H.R. 1418, introduced by Reps. DeFazio (D-OR) and Gosar (R-AZ) will not interfere with the states’ abilities to maintain and enforce their own insurance regulations, antitrust statutes and consumer protection laws. Because states may vary in their enforcement efforts, the impact of repeal on health insurance companies would differ from state to state.

The bill is narrowly drawn to apply only to the business of health insurance, including dental insurance, and would not affect the business of life insurance, property or casualty insurance, or any other similar insurance areas.

Repeal of the limited antitrust exemption for health insurance companies would help inject more competition into the insurance marketplace by authorizing greater federal antitrust enforcement in instances where state regulators fail to or cannot act. Promoting lower prices, greater consumer choice, and increased innovation through robust competition is the role of the antitrust laws.

When competition is not robust, consumers are more likely to face higher prices and less likely to benefit from innovation and variety in the marketplace.

The American Dental Association and the American Student Dental Association urge you to support and co-sponsor S. 350 and H.R. 1418.

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Student Loan Programs and the Higher Education Act

The Higher Education Act (HEA), which provides the statutory authority for most federal student loan programs to operate, is several years overdue for reauthorization. The American Dental Association (ADA) and the American Student Dental Association (ASDA) urge you reauthorize the HEA as soon as possible. We also urge you to alleviate the exorbitant amounts of dental student debt by adhering to the following principles.

1. Protect the Direct Unsubsidized Stafford Loan (Direct Loan) and Grad PLUS loan programs for graduate and professional degree students.

2. Reinstate eligibility for graduate and professional degree students to use federal Direct Subsidized Stafford Loans, which is currently available to undergraduates only.

3. Lower the interest rate caps and the total amount of interest that can accrue and compound on Direct and Grad PLUS loans.

4. Extend the deferment period and halt the accrual of interest while a dentist is completing a medical/dental internship or residency, as provided in H.R. 1554, the Resident Education Deferred Interest Act (or REDI Act).

5. Permit federal graduate student loans to be refinanced whenever interest rates are lower and economic conditions are more favorable.

6. Lower the administrative fees and simplify (and add more transparency to) the federal graduate student loan application process.

7. Remove the barriers for individuals to take advantage of the Public Service Loan Forgiveness program, which forgives any remaining student debt after ten years of payments and qualifying public service.

8. Permit those with private graduate student loans to take advantage of federal student loan forgiveness programs.

9. Encourage institutions of higher education and lenders to offer training to help students make informed decisions about how to finance their graduate education.

10. Encourage collaborative approaches to handling borrowers who fail (or are at risk of failing) to fully repay their federal student loan(s) in the required time period.

Most dental students rely on federal student loans to finance their dental education. In 2017, over two-thirds (66.9 percent) of graduating dental school seniors reported using Direct Loans to pay for dental school and, to a lesser extent, Grad PLUS Loans (65.1 percent). The default rate on dental student loans is extremely low, making them good investments for the federal government. In fact, most dentists pay back their loans much faster than other federal loan recipients.

Unfortunately, educational debt is making the move from dental school to Main Street a daunting endeavor. In 2017, 84.5 percent of dental school seniors graduated with an average educational debt of $287,331. This catastrophic level of student debt is sometimes exacerbated by the interest rates on Direct Loans taken out on or after July 1, 2013, which could reach as high as 9.5 percent, depending on the prevailing interest on 10-year Treasury notes plus 3.6 percent.
It is an uphill battle for a highly indebted young dentist to establish a career in an economy where over 50 percent of practicing dentists own or are partnered in a small business. Lenders view early career individuals who are almost $288,000 in debt as a higher credit risk, which makes it more difficult to invest in a group practice. The same is true for any highly indebted person trying to obtain a car or home loan, or even a credit card.

As a matter of public policy, reducing a new dentist’s early career debt, even marginally, is a sound economic investment. For an early career dentist, a lower debt burden will make banks more open to lending funds to invest in a group practice and make other high value purchases. Moreover, a lower debt burden will remove barriers for those wanting to pursue careers in public service, teaching, research and administration early in their careers.

Again, the ADA and ASDA urge you reauthorize the Higher Education Act as soon as possible with the above principles intact.

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1 Annual ADEA Survey of Dental School Seniors, 2017 Graduating Class: Table 13. Type of loans reported by 2017 graduating seniors, by percentage of respondents (N=4,888).
2 “Health care & medical students who graduate with a large amount of debt are less likely to default on their student loans,” National Journal Research, 2018.
3 Annual American Dental Education Association Survey of Dental School Seniors, 2017 Graduating Class: Table 10. Level of 2017 graduating seniors’ educational debt by type of school.
4 Annual American Dental Education Association Survey of Dental School Seniors, 2017 Graduating Class: Table 11. Average graduating educational debt of 1996-2017 graduates with debt, by type of school.
5 20 U.S.C. § 1087e.
6 The interest rate on Direct Loans taken out between July 1, 2006 and June 30, 2013, is fixed by law at 6.8 percent.
Ensuring Lasting Smiles Act (ELSA)

S. 560/H.R. 1379

The American Dental Association (ADA), as the nation’s oldest and largest dental professional organization, representing over 163,000 members; and the American Student Dental Association (ASDA) representing more than 24,000 dental students in 66 dental schools across the U.S., support S. 560/H.R. 1379, the Ensuring Lasting Smiles Act (ELSA), and urge you to co-sponsor this important bipartisan bill. By doing so, you can ensure that children suffering from congenital anomalies and birth defects are able to receive the treatment they need.

S. 560 is sponsored by Sens. Tammy Baldwin (D-WI), Joni Ernst (R-IA), Sherrod Brown (D-OH), and Lisa Murkowski (R-AK), and H.R.1379 is sponsored by Reps. Collin Peterson (D-MN) and Denver Riggleman (R-VA).

One in every 33 children in the United States is born with a congenital anomaly or birth defect that affects the way they look, develop or function. A number of these congenital anomalies include severe oral and facial defects such as cleft lip or palate, skeletal and maxillofacial deformities, hypodontia (absence of teeth), and enamel hypoplasia. These anomalies can interfere with a child’s ability to breathe, speak, and/or eat in a normal manner. Specialized surgery is needed to correct these anomalies. These procedures are reconstructive in nature and are performed to correct abnormal structures of the body.

Despite this, many insurance companies consider these services to be cosmetic, and while they may cover the preliminary surgeries, they will delay or deny follow-up or corrective procedures, including dental work related to the anomaly. This can further delay a child’s developmental milestones. As a result, families denied care by private health insurance companies may instead have to turn to safety-net programs like Medicaid and the Children’s Health Insurance Program (CHIP).

ELSA would require all private group and individual health plans to cover medically necessary services resulting from a congenital anomaly or birth defect. This would include inpatient and outpatient care and reconstructive services and procedures, as well as adjunctive dental, orthodontic, or prosthodontic support. The bill specifically exempts cosmetic surgery.

We urge you to co-sponsor ELSA to help patients with craniofacial anomalies and ensure they have the necessary coverage to restore their ability to function.

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