

December 7, 2010

The Honorable Kay Bailey Hutchison
U.S. Senate
284 Russell Senate Office Building
Washington, DC

The Honorable Erik Paulsen
126 Cannon House Office Building
United States House of Representatives
Washington, DC 20515

Dear Sen. Hutchison and Rep. Paulsen,

The undersigned organizations would like to thank you for your introduction of S.3673 / H.R.5923, the Patients' Freedom to Choose Act. Our organizations are very concerned with the limitations that were put on Flexible Spending Accounts (FSAs) following the enactment of the *Patient Protection and Affordable Care Act (PPACA)*. As a result, we fully support your efforts to repeal Sections 9005 and 10902 of PPACA, and section 1403 of the *Health Care and Education Reconciliation Act of 2010*. We strongly endorse this legislation and thank you for your leadership.

As you are probably aware, the concept of an FSA was born in the 1970s as a way to provide employees with a flexible benefit at a time when the cost of health care was a growing concern; unfortunately, almost forty years later health care costs are still a major concern. As a result, hundreds of thousands of Americans – many of whom have middle-class incomes – rely on medical FSAs to cover these rising out of pocket health care costs. FSAs are particularly important for patients with a chronic illness, who often see multiple providers and take multiple medications to maintain their health and avoid costly complications. For these patients, even nominal cost-sharing can quickly add up; FSAs can help them meet these obligations.

We believe the FSA provisions in PPACA are a step back for consumers at a time when out of pocket costs for health care have never been higher. Out of pocket costs for “traditional” medical insurance (excluding vision and dental) easily exceeds the recently enacted \$2,500 annual cap when you factor in the rising costs of deductibles, co-pays, and prescription medication. In fact, the average cost for workers with an aggregate deductible for family coverage are \$1,053 for HMOs, \$1,344 for PPOs, \$1,860 for POS plans, and \$3,559 for HDHP/SOs.¹

Our fear is that if out of pocket costs for traditional medical insurance exceeds the newly established \$2,500 annual limit consumers will be faced with hard decisions about the affordability of additional health care costs like vision and dental care. The truth is that consumers often spend FSA dollars on these

¹ Kaiser Family Foundation. *Employer Health Benefits Survey 2008*.

types of benefits and we are very concerned that they will no longer have that flexibility if the caps on FSAs are allowed to stand.

We believe it is counterproductive to limit consumer spending on out of pocket health care costs at a time when these costs continue to rise. Our organizations strongly support S.3673 / H.R. 5923 as a common sense approach to give consumers the choice of deciding how much they need to spend on out of pocket health care costs. The current environment under PPACA will force consumers to make uncomfortable choices about medically necessary treatments like braces for their children, dental implants, or a new pair of glasses if they know their FSA dollars will barely cover the cost of their medical insurance deductibles. Thank you for your leadership and please feel free to contact our organizations if we can be of any assistance.

Sincerely,

American Association of Oral and Maxillofacial Surgeons

American Academy of Oral and Maxillofacial Pathology

American Academy of Periodontology

American Academy of Pediatric Dentistry

American Association of Endodontists

American Dental Association

Hispanic Dental Association

Academy of General Dentistry

American Association of Orthodontists

American College of Prosthodontists

The Vision Council

Prevent Blindness America

November 15, 2010

United States Senate
Washington, D.C. 20510

Dear Senator,

As the Senate engages in final efforts to pass legislation before adjournment of the 111th Congress, the dental organizations listed below are writing to express our strong support for Senate action to repeal the McCarran-Ferguson Act's exemption of health insurance companies from federal antitrust laws. Health care providers, their patients, and the public at large are all victims of McCarran-Ferguson's negative impact on competition among entities in the health insurance industry. All would benefit from its repeal.

Therefore, we urge you to quickly pass H.R. 4626, the Health Insurance Industry Fair Competition Act. The bill was passed overwhelmingly by a vote of 406-19 by the House on February 24, 2010. H.R. 4626 would bring the insurance industry into line with other American businesses by eliminating the special treatment granted to insurance institutions almost 65 years ago with passage of the McCarran-Ferguson law. For years, our members have objected to the fact that insurers have not been fully subject to the antitrust laws, which are designed to protect and foster competition in the marketplace. This unfair and unjustified exemption has undoubtedly interfered with the delivery of health care, which many believe has had a direct negative effect on patients.

The antitrust exemption has been ripe for repeal for decades. On behalf of our members, we urge you to quickly pass H.R. 4626 to repeal the McCarran-Ferguson Act exemption for insurance companies.

Sincerely,

Academy of General Dentistry
American Academy of Oral and Maxillofacial Pathology
American Academy of Pediatric Dentistry
American Academy of Periodontology
American Association of Oral and Maxillofacial Surgeons
American Association of Orthodontists
American Dental Association
Hispanic Dental Association
National Dental Association

November 29, 2010

The Honorable Mike Johanns
U.S. Senate
404 Russell Senate Office Building
Washington, DC 20510

Dear Senator Johanns:

On behalf of the Organized Dentistry Coalition, we support introduction of your amendment (S. Amdt. 4702) to the food safety bill, which repeals the 1099 reporting requirements required pursuant to section 9006 of the Affordable Care Act. We understand your amendment is a full repeal of the new 1099 requirements with an offset from unused stimulus funds.

The section 9006 change would have a significant adverse effect on many dental practices. As small businesses, very few dental practices have the staff resources to absorb the extra workload required to meet the new mandate. Tracking payments to certain individuals for services as well as for services and goods purchased from all individuals and corporations with annual payments of \$600 or more will very likely require a dentist to collect the name and taxpayer identification number of virtually every supplier. Dental practices would have to absorb the administrative costs or pass the expenditures along to patients, unnecessarily increasing dental costs at a time of overall rising health care costs.

Please email C. Scott Litch at the American Academy of Pediatric Dentistry at slitch@aapd.org with any questions concerning this letter.

Sincerely,

Academy of General Dentistry
American Academy of Oral and Maxillofacial Pathology
American Academy of Pediatric Dentistry
American Academy of Periodontology
American Association of Endodontists
American Association of Oral and Maxillofacial Surgeons
American Association of Orthodontists
American Dental Association
Hispanic Dental Association
National Dental Association