

**From:** Kenn Butler  
**Organization(s):** Dandy

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**Comment Text:**

We are writing from Dandy, the world's top digital dentistry company. We offer intraoral scans and digital dental impressions, which can cut down the amount of time a patient is in the chair from 10-15%, while improving the patient experience and cutting down on costs. Many may not be aware how intimately connected dentistry is to federal policy, and political control. The CFTC, as a regulatory body dedicated to regulating and safely expanding access to market tools that help manage business risk, should legalize event contract markets based on political control of Congress. The CFTC has asked explicitly for those who might use the market for hedging to describe in detail how they could use this market to manage or reduce their risks. This letter is written in response to that request.

One of the largest ways Congress affects the dental practice is through Medicaid and Medicare reimbursement rates. Millions of Americans receive their dental insurance through Medicaid, though coverage varies by states. Millions more get their dental insurance through Medicare. The Medicaid reimbursement rate (which currently sits at roughly 40% of average visit costs) thus has a clear impact on the bottom line for many dentists. If more people have access to dental insurance, that will increase demand for dental services and, in turn, for the services we provide. Based on public statements, party platforms and past introduced legislation, any reasonable market participant can identify differences between the two parties on their preferred level of investment in Medicaid.

Perhaps more significantly, Dandy—like all businesses—is heavily affected by changes in the overall business environment. Federal policy can affect the overall level of inflation, which can harm any business that has negotiated fixed-rate contracts. That level of price growth can in turn affect interest rates. For any business that might need to raise or borrow money, higher interest rates makes that borrowing far more expensive, and it may be more difficult to receive as high equity valuations than under a lower interest rate regime. Every business, particularly small businesses or startups, thus holds on their balance sheet a hidden risk: the risk of negative federal policy change. Being able to reduce that risk, then, would be a benefit to the business owner, their employees and their investors.

Federal regulators should not treat election-related risk any different from other risks that firms hedge using derivative products. This contract provides genuine economic value to millions of businesses, including ourselves, and should be allowed to be traded.