

L A T E



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TO THE SENATE COMMITTEE ON HEALTH

TWENTY-FOURTH LEGISLATURE
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Friday, February 8, 2008
1:15 p.m.

TESTIMONY ON SENATE BILL NO. 2058 – RELATING TO INSURANCE

TO THE HONORABLE DAVID Y. IGE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is J. P. Schmidt, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department supports this bill, which allows nonparticipating dentists to receive payment directly from dental plans rather than attempting to collect from the patient.

We support direct pay for nonparticipating dentists because it will make it easier for them to collect what they are owed. In addition, direct pay will give nonparticipating dentists a bargaining chip in negotiations with health plans regarding reimbursement, which may help to alleviate the problem of low reimbursements in the market. We do not think that many dentists will actually become nonparticipating as a result of this bill simply because the economic incentive is to remain participating so that they can obtain more patients. Therefore, while there is a risk of higher costs being passed on to consumers, we think the impact will be small.

We thank this Committee for the opportunity to present testimony on this matter and ask for your favorable consideration.