

# HDS

Hawaii Dental Service

February 3, 2010

The Honorable David Y. Ige, Chair  
Senate Committee on Health

Re: SB 2126-Relating to Dental Services

Dear Chair Ige and Members of the Committee:

Hawaii Dental Service (HDS) appreciates the opportunity to testify in opposition to SB 2126 that will increase the amount Hawaii residents pay for dental care. Presently, more than 500,000 Hawaii residents with HDS dental benefits pay the HDS discounted price for common dental procedures. SB 2126 would prohibit dental benefits carriers from negotiating discounted fees with dentists for a full range of dental services that patients currently receive from participating dentists. This is the wrong legislation at the wrong time.

On its face, SB 2126 seems to make sense. Dentists want to be able to charge their full retail fees for services not covered by a patient's dental plan. HDS does not cover all dental services; exceptions include cosmetic dentistry and certain procedures not commonly performed so there is not enough credible fee data to set a reasonable fee. We agree that dentists should be able to set fees for those procedures that we do not cover. We do not set fees for procedures we do not cover. We understand that there are some mainland based dental benefits carriers that do set fees for cosmetic procedures and other procedures that HDS does not cover, and that has been the impetus behind this bill which is being introduced nationally by the American Dental Association.

However, the consumer needs to be aware that the definition of a non-covered service set forth in SB 2126 is any procedure for which the dental benefits carrier does not make payment. The bill would allow the dentist to charge the patient any fee the dentist chooses for any and all dental services needed by the patient, once the patient has reached his or her annual maximum or if the plan contains limitations on certain services. Some lower cost dental plans targeted at seniors and individuals not eligible for group plans focus primarily on diagnostic and preventive services.

For example, a patient received crowns on 2 teeth early in the year and exceeded her annual maximum. She later needed a third crown. Today, she would receive the benefit of HDS's discount for the third crown, even though she would be paying for it herself. If SB 2126 passes, she would pay \$1,100 for the third crown, instead of \$744. This is an actual case based on a dental claim we recently received from a dentist whose retail fees are at the high end of the fees submitted to us. The dentist has agreed to charge HDS \$744 for a crown. This bill takes no issue with the discounts negotiated with HDS. Why then is the same crown \$1,100 when the HDS member alone has to pay?

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The range of fees submitted by dentists for a current non-covered service, a resin based composite or white filling on one surface of a posterior tooth is also illustrative of the need to set a reasonable fee to protect patients. The average fee submitted for this commonly performed cosmetic procedure is \$130, but the highest fee submitted (and paid by this dentist's patient) was \$600. Overcharging on non-covered services is the most common complaint we receive from HDS patients.

Dental insurance protects a patient financially when patients need dental services that they might not otherwise be able to afford. Dental insurance provides patients with known, discounted fees on services. Dental insurance has much lower annual maximums than medical insurance, typically \$1,000 to \$2,000. Once a patient reaches the annual maximum, he needs protection from high fees. Consumers do not have the knowledge, leverage or in many cases the time to negotiate their own discounts for dental services. And patients may not get the care they need due to unlimited cost.

First and foremost dental insurance provides dentists with patients who can pay for dental services. People with dental insurance are twice as likely to see a dentist regularly, compared with people without dental insurance. HDS pays dentists directly for care provided to HDS patients, helping dentists to receive prompt payment without collection and billing costs. Participating dentists have provided discounts to HDS patients under the current contractual arrangement for over 35 years. 96% of licensed, practicing Hawaii dentists participate with HDS.

SB 2126 has no financial impact on dental benefits carriers. It simply stops us from negotiating discounts on behalf of our members, unless the carrier is paying for the service. The financial burden will fall on patients-who will have to pay more for the care they need.

There are several dental benefits carriers doing business in Hawaii. Dentists are free to contract with any or all or none of us. Customers are free to buy a dental plan from any of us or none. We all have different fee reimbursement policies for dentists and offer different dental benefit plans in the marketplace. SB 2126 would remove choices for consumers as well as for dentists, and raise the total cost of dental care for our state. We believe that now is not the time to be putting more financial strain on people who are already burdened by the increasing costs of healthcare in today's challenging economy, and therefore would respectfully request that the Committee hold SB 2126. Thank you for the opportunity to testify today.

Sincerely,



Faye W. Kurren  
President