

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 1438

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 1438 entitled:

"A BILL FOR AN ACT RELATING TO DENTAL SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit mutual benefit societies, health maintenance organizations, and dental service organizations from setting or recommending fees for dental services that are not covered services to prevent disincentives for the performance of dental services that are exempt from insurance coverage.

Your Committee received testimony in support of this measure from the Hawaii Dental Association and nine private citizens. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that health and dental insurance companies are including clauses in their contracts with participating dentists that state that non-covered services are subject to a fee schedule dictated by insurance companies. Your Committee further finds that these provisions result in price fixing and a restraint of trade that affects the entire dental profession in Hawaii. Your Committee notes that opting out of participation with a dental insurance company would be a heavy financial burden for many dentists.


Your Committee also finds that limitations on fees for non-covered services are harmful to consumers. Your Committee



notes that if fees are set too low, a participating dentist may not offer certain services. A patient may then be forced to seek the services of a non-participating provider. Additionally, your Committee notes that unintended consequences may result when boiler plate provisions are included in contracts by insurance companies.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1438 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Health,



JOSH GREEN, M.D., Chair



