

# HDS

Hawaii Dental Service

February 7, 2011

The Honorable Ryan I. Yamane, Chair  
Hawaii State House of Representatives  
House Committee on Health

Re: HB 414-Relating to Dental Services

Dear Chair Yamane and Members of the Committee:

Hawaii Dental Service (HDS) appreciates the opportunity to testify in opposition to HB 414 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. HB 414 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, HB 414 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 have a schedule fee for covered services that applies to all services rendered to HDS members. 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 HB 414 is any procedure which the dental benefits carrier does not reimburse. Some lower cost dental plans targeted at seniors and individuals not eligible for group plans focus primarily on diagnostic and preventive services and do not reimburse for major services. Because of this HDS's discounted fees are very important to those seniors and individuals who cannot afford a more comprehensive plan. It is not clear why this bill is directed at those who are least likely to be able to pay the dentist's retail fee.

Dental benefits plans protect a patient financially when patients need dental services that they might not otherwise be able to afford. Dental plans provide patients with known, discounted fees on services. 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.

The Honorable Ryan I. Yamane, Chair  
House Committee on Health  
Re: HB 414—Relating to Dental Services/2

## LATE TESTIMONY

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 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. This bill will increase the number of uncovered services payable by consumers.

Dentists receive benefits from HDS over and above fee reimbursement. First and foremost dental benefits plans provide dentists with patients who can pay for dental services. People with dental benefits are twice as likely to see a dentist regularly, compared with people without dental benefits. 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. 95% of licensed, practicing Hawaii dentists participate with HDS.

HB 414 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. HB 414 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 Hawaii residents who are already burdened by the increasing costs of healthcare in today's challenging economy, and therefore would respectfully request that the Committee hold HB 414. Thank you for the opportunity to testify today.

Sincerely,



Faye W. Kurren  
President and CEO

**From:** peterfay@hawaii.rr.com  
**Sent:** Monday, February 07, 2011 5:48 PM  
**To:** HLTtestimony  
**Subject:** Please Help your HDA Legislative Program

Peter Fay  
312 Piliwale Rd.  
Kula, HI 96790-8878

February 7, 2011

House of Representatives Health Committee HI

Dear House of Representatives Health Committee:

Hawaii State Legislature  
House of Representatives  
Committee on Health

Tuesday, February 8, 2011, 9:30 a.m. Conference Room 329

HB 414 RELATING TO DENTAL SERVICES

Prohibits dental service organizations, mutual benefit societies, and health maintenance organizations from requiring a dentist who provides services to its subscribers to accept a fee set by the plan for any services except covered services

Rep. Ryan I. Yamane, Chair; Rep. Dee Morikawa, Vice Chair; Honorable members of the Committee on Health, Thank you for the opportunity to testify in support of House Bill 414 which would prevent third party payors from imposing payment limits on non-covered dental services.

As a dentist practicing in the state of Hawaii. I strive to deliver dentistry to the best of my abilities for the benefit of my patients. To this end, I feel that there is an unfair ability by the insurance companies allowing them to interfere with the provision of these services.

As it stands now, a third party payor has the ability not only to deny payment on a non-covered service but in addition can limit what a dentist can collect on that service. This restricts what I can offer and provide to my patients. I have a fair amount of fixed and variable costs which I have to consider in my practice. All too often the insurance company will recognize the necessity any extra efforts but deny or restrict the amount that my patient can share in. This strikes me as an unfair way by the third party payor to limit what I can offer my patient.

I try to offer my patients a good value for my services. Please don't let an outside organization dictate how I can practice dentistry. It is also telling that the Hawaii Insurance Commission is in support of this measure.

Thank you for the opportunity to present this testimony in favor of HB 414 and for your consideration of this measure.

With aloha,

Peter Fay

# LATE TESTIMONY

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Representative Ryan I. Yamane, Chair  
Representative Dee Morikawa, Vice Chair

Tuesday, February 8, 2011 9:30 am, Room 329  
Re: House Bill 414, Relating to Dental Services

Honorable Chair Ryan I. Yamane, Vice Chair Dee Morikawa and  
Members of the House Committee on Health:

As the present president-elect of the Hawaii Dental Association and a practicing dentist from the island of Maui for over 30 years, I wish to testify IN SUPPORT of House Bill 414, Relating to Dental Services. This bill would prohibit health and dental insurance companies from setting fees for dental services not subject to insurance company contracts.

Presently, dental insurance companies limit the fees that a participating dentist may charge even though the procedure is a non-covered benefit under the insurance contract. This provision results in price fixing and restraint of trade that affects the entire dental profession in the State of Hawaii. This restriction is even more onerous considering the fact that Hawaii is so heavily insurance-oriented. To opt out of participating with any dental insurance company would be a heavy burden and possible economic suicide for many dentists.

Such limitations on fees for non-covered services are also harmful to consumers. If fees are set too low, a participating dentist would not offer certain services, resulting in the patient being forced to seek the services of a non-participating provider, thereby losing any benefit of the patient's earned insurance coverage.

Presently 26 states have implemented similar statutory prohibitions in the last 18 months and similar legislation is now pending in over 13 states. In addition, the National Conference of Insurance Legislators (NCOIL) adopted a model act last October on which HB 414 is based on.

The special and protected statutory environment that insurance companies enjoy provide for virtual monopolistic power over many providers. House bill 414 seeks to remedy this injustice.

Please pass House Bill 414.

Sincerely,

Neil C. Nunokawa D.D.S.

**morikawa2 - Grant**

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**From:** dentalimage@hawaii.rr.com  
**Sent:** Tuesday, February 08, 2011 8:38 AM  
**To:** HLTtestimony  
**Subject:** Please Help your HDA Legislative Program

**LATE TESTIMONY**

LORI MASUDA  
555 FARRINGTON HWY., #1  
KAPOLEI, HI 96707-2052

February 8, 2011

House of Representatives Health Committee HI

Dear House of Representatives Health Committee:

Hawaii State Legislature  
House of Representatives  
Committee on Health

Tuesday, February 8, 2011, 9:30 a.m. Conference Room 329

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Thank you for the opportunity to present this testimony in favor of HB 414 and for your consideration of this measure.

With aloha,

LORI MASUDA  
8086742520

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