



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

KEALI'I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON HEALTH

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Friday, February 1, 2013
8:30 a.m.

TESTIMONY ON HOUSE BILL NO. 842 – RELATING TO DENTAL SERVICE CORPORATIONS.

TO THE HONORABLE DELLA AU BELATTI, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner (“Commissioner”), testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). Thank you for hearing this bill. The Department strongly supports this Administration bill.

The purpose of this bill is to establish the licensing and regulation of dental service corporations under the Commissioner.

Under the federal Patient Protection and Affordable Care Act, starting in 2014, all health plans will include a pediatric dental component. Also, stand alone dental plans can be sold through the health insurance exchange known as the Hawaii Health Connector (“Connector”). In order for a dental insurer to sell on a stand alone dental plan on the Connector, it has to be licensed.

This bill would create a licensing requirement for dental insurers to enable it to sell on the Connector. It also places dental insurers under insurance regulation and establish financial solvency oversight. This will increase public confidence in the process while also protecting the public from detrimental effects such as insolvencies.

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

TESTIMONY TO THE HOUSE COMMITTEE ON HEALTH

HOUSE BILL 842

RELATING TO DENTAL SERVICE CORPORATIONS

BY

NEIL C. NUNOKAWA D.D.S.

1885 MAIN STREET SUITE 204

WAILUKU, HAWAII 96793

Representative Della Au Belatti, Chair

Representative Dee Morikawa, Vice Chair

Friday, February 1, 2013, 8:30 am

Conference room 329

Re: HB 842, Relating to Dental Service Corporations

Honorable Chair Della Au Belatti, Vice Chair Dee Morikawa and members of the House Committee on Health:

As the immediate past president of the Hawaii Dental Association and a practicing dentist in Hawaii for over 36 years, I wish to testify IN OPPOSITION to HB 842, Relating to Dental Service Corporations as it has been submitted to your committee.

The well-meaning intent of this legislation is to provide an insurance framework for dental service corporations in order to be in compliance with the Affordable Care Act. The bill before you today, however, would repeal the current statutory authority that establishes the criteria and structure of the currently established dental service corporations. This bill would result in a substantial number of radical changes to the ownership, governance, and licensing laws that serve to protect Hawaii's citizens.

As the Hawaii Dental Association wishes to provide for a smooth transition with the Affordable Care Act, the HDA will provide proposed changes to the current statute, Chapter 448D. These changes should be substituted for the changes that the current version of this bill proposes and will still meet the objectives stated for this legislation.

Again, I am OPPOSED to HB 842 as it is now written and request that the bill be held if the HDA's proposed amendments to Chapter 448D are not substituted for the current language.

Sincerely,

Neil C. Nunokawa D.D.S.