

Hawaii State Legislature
State House of Representatives
Committee on Consumer Protection and Commerce

State Representative Angus L. K. McKelvey, Chair
State Representative Derek S. K. Kawakami, Vice Chair
Committee on Consumer Protection and Commerce

LATE

Monday, March 25, 2013, 3:00 p.m. Room 325
Senate Bill 1073 HD 1 Relating to Dental Service Corporations

Honorable Chair Angus L. K. McKelvey, Vice Chair Derek S. K. Kawakami and
members of the House Committee on Consumer Protection and Commerce,

My name is Russel Yamashita and I am the legislative representative for the Hawaii Dental Association (HDA) and its 960 member dentists. I appreciate the opportunity to testify in support of Senate Bill 1073, HD 1 Relating to Dental Service Corporations. The bill before you today would repeal the current statutory authority which establishes the criteria and corporate structure of the currently established dental service corporation. The “purpose” of this legislation is allegedly to provide an “insurance” frame work for dental service corporations in order to be in compliance the Affordable Care Act(ACA).

The primary objection which the HDA previously had with the Senate drafts of this legislation has been address by this House Draft with the change in the definition of “Provider” to reflect the current law and eliminated expansion of the definition to permit any person “otherwise authorized to furnish dental care services”. This was viewed as a back door way to allow persons not licensed under Hawaii law (HRS Chapter 448) to provide dental services to Hawaii residents. This also creates a question of jurisdiction as to whether or not the Department of Commerce and Consumer Affairs can even regulate or discipline unlicensed dentists or hygienists for violations of standards of dental care, if they are not properly licensed under HRS Chapter 448.

The second issue which this committee addressed in the House version of this bill, HB 842, HD 2 deals with the "coordination of benefits" in Section -19 of the bill. This provision should be made mandatory in order for the financial benefits and savings to be realized by the consumer. By allowing "coordination of benefits" to be permissive or optional, the insurers will not pass on the savings to the purchasers of the policies. In other words, you are allowing the insurers to add further financial burdens on the consumer with the pyramiding of costs that the insurers will pass on. If "coordination of benefits" is not mandated, the consumer will not receive any cost savings from the ACA.

The HDA appreciates this committee’s understanding of our concerns and addressing them with regards to this legislation.