



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 CONSUMER PROTECTION & COMMERCE

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Monday, March 18, 2013
2:30 p.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON SENATE BILL NO. 1240, S.D. 2 – RELATING TO PEDIATRIC DENTAL HEALTH COVERAGE.

TO THE HONORABLE ANGUS McKELVEY, 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”). The Department takes no position on this bill and submits the following comments.

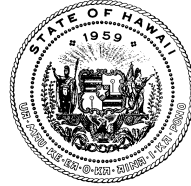
The purpose of this version of the bill is to add a new section to Hawaii Revised Statutes (“HRS”) chapter 435H, requiring all individuals under age 19 to purchase all federal essential health benefits, including pediatric dental benefits.

Pediatric services are part of the essential health benefits under the federal Patient Protection and Affordable Care Act (“PPACA”). The Department is supportive of all children in Hawaii having pediatric dental benefits coverage.

However, a recent federal regulation allows for health insurers selling on the health insurance exchange (i.e., Hawaii Health Connector) to offer a health plan which

does not contain pediatric dental benefits. This requirement should be reviewed to see if this would be considered a new mandated benefit that triggers section 1311(d) (3) of PPACA, which requires states to defray the additional cost of any benefits in excess of the essential health benefits of the state's qualified health plan.

We thank the Committee for the opportunity to present testimony on this matter.



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

House Committee on Consumer Protection & Commerce

S.B. 1240, SD 2 RELATING PEDIATRIC DENTAL HEALTH COVERAGE

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health**

March 18, 2013

1 **Department's Position:** The Department of Health appreciates the opportunity to provide comment on
2 this measure to ensure dental health coverage for children.

3 **Fiscal Implications:** None for the Department of Health

4 **Purpose and Justification:** Dental health coverage is an important component to promote access to
5 basic care. Lack of basic dental care has severe consequences for children. Dental caries are the most
6 common chronic health problem in children 5 to 17 years. If untreated, dental decay can cause
7 unnecessary pain and infection that can compromise a child's ability to eat well. This can result in
8 absence from and inability to concentrate in school, early tooth loss that impairs speech development,
9 failure to thrive and reduced self-esteem. Poor dental health has a serious impact on children's readiness
10 for school and ability to succeed in the classroom. Research shows that children who do not receive
11 needed dental care miss a significant number of school days, use emergency room services more often
12 and face worsened job prospects as adults compared with their peers who do receive care.
13 Children are an excellent target for extensive preventive strategies since early dental disease is reversible
14 and treatment can prevent progression to advanced, more painful and destructive disease.

1 Medical insurance is a strong predictor of access to dental care, thus ensuring all children in Hawaii
2 have access to dental insurance coverage is an important strategy to improve the oral health of children.
3 While Hawaii reports relatively high rates of medical insurance coverage for children (96.2%, National
4 Survey of Children's Health 2010), dental insurance coverage may be lower. Children's dental health is
5 a wise investment.

6 Thank you for the opportunity to provide comment on this measure.



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 18, 2013

The Honorable Angus L.K. McKelvey, Chair
House Committee on Consumer Protection and Commerce
Twenty-Seventh Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative McKelvey and Members of the Committee:

**SUBJECT: SB 1240 SD2– RELATING TO PEDIATRIC DENTAL HEALTH
COVERAGE**

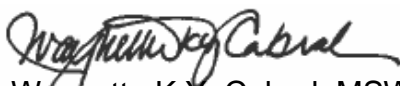
The State Council on Developmental Disabilities **SUPPORTS SB 1240 SD2.** The purpose of this bill requires the Hawaii health connector to ensure that all individuals under age 19 purchase Federal Act essential benefits, including pediatric dental coverage under a health plan.

The Affordable Care Act (ACA) makes important improvements intended to increase access to dental coverage for children. For the child, a minimum set of benefits known as the essential health benefits will be available in 2014 through ACA. ACA requires that pediatric dental benefits be offered in a qualified health plan. However, the benefits are not required to be purchased in Hawaii's Health Connector.

For this reason, we support the proposed language to include pediatric dental benefits as provided under the Federal Act, as indicated on Page 4, Section 2 of the bill.

Thank you for the opportunity to offer comments in **support of SB 1240 SD2.**

Sincerely,


Waynette K.Y. Cabral, MSW
Executive Administrator


J. Curtis Tyler III
Chair

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 18, 2013

The Honorable Angus L. K. McKelvey, Chair
The Honorable Derek S. K. Kawakami, Vice Chair

House Committee on Consumer Protection and Commerce

Re: SB 1240, SD2 – Relating to Pediatric Dental Health Coverage

Dear Chair McKelvey, Vice Chair Kawakami and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1240, SD2, which would require all individuals under 19-years of age to purchase dental health coverage through the Hawaii Health Connector. HMSA supports this Bill.

The Center for Disease Control found that childhood tooth decay, despite being preventable, remains the most common chronic disease among American children. In light of this, the US Surgeon General called for increased attention to oral health as a core component of overall health and for the need to reduce oral health disparities.

Better oral health outcomes can be achieved at lower cost if dentally-necessary care is initiated early in childhood, and the Affordable Care Act (ACA) provides an unprecedented opportunity to address the oral health needs of our keiki. The single most significant step toward achieving this is the inclusion of a pediatric dental benefit as part of the essential benefits package. Potential benefits include:

- better overall health at lower cost;
- greater health equity;
- enhanced capacity for millions of children to grow, eat, play, and learn;
- improved general health throughout the lifespan; and
- potential reductions in premature births.

In mandating coverage for pediatric dental services, Congress fully recognized that a child's overall health was not at the exclusion of the child's oral health. We now need to ensure that the ACA is implemented in a way that maximizes the opportunity to realize improved oral health for our keiki.

Unfortunately, recent federal guidance on the ACA provides a challenge to achieving that goal. While pediatric dental benefits are required to be offered in the health exchange, there is no mandate to purchase those benefits through the exchange. Those regulations, however, conversely require consumers shopping outside of the exchange to obtain pediatric dental coverage. This creates an inequity between plan requirements within the exchange and requirements offered outside of the exchange.

SB 1240, SD2, ensures that any individual under the age of 19-years who purchases medical coverage through the Connector also obtain pediatric dental coverage. That pediatric oral health benefit may be purchased as part of the medical plan or via a stand-alone dental plan.

Thank you for the opportunity to offer our support for SB 1240, SD2.

Sincerely,

A handwritten signature in black ink, appearing to read "JDiesman".

Jennifer Diesman
Vice President
Government Relations

Testimony of
John M. Kirimitsu
Legal and Government Relations Consultant

Before:
House Committee on Consumer Protection and Commerce
The Honorable Angus L. K. McKelvey., Chair
The Honorable Derek S.K. Kawakami, Vice Chair

March 18, 2013
2:30 pm
Conference Room 325

SB 1240 SD2 RELATING TO PEDIATRIC DENTAL HEALTH COVERAGE

Chair McKelvey and committee members, thank you for this opportunity to provide testimony on SB1240 SD2 which expands the required coverage under Federal ACA for pediatric dental coverage.

Kaiser Permanente Hawaii opposes this bill.

The data available demonstrates the value of children getting appropriate dental care. We support having coverage for pediatric dental care available, as required by the federal accountable care act, to all purchasers of health insurance in the exchange.

However, we think this bill should not be passed because it interferes with the design and functioning of the Hawaii Health Connector, our state insurance exchange. The federal government determined that it was appropriate to have health plans become qualified to be sold in the exchange without containing pediatric dental coverage if that coverage is available through stand alone dental plans. While it may be the intent of the federal government to have coverage for basic dental care for all children, they did not specify how that must be done and instead left it to the insurance exchanges to work out the most appropriate design for their states.

This bill would place specific and unnecessary requirements on the connector. Because of the short timeline in which we have to design the health connector and get it up and running, we think we should not add any additional requirements until it is operational and we can see how it functions.

We recommend that the connector be permitted to arrange for the purchase of pediatric dental coverage through whatever is most effective for both cost and quality for Hawaii consumers. We hope that this coverage will be offered in a way that consumers have the opportunity to compare benefits and costs and make an informed choice for their children. As other testimony has noted, across the United States 97% of dental benefits are covered under stand-alone dental plans. Hawaii is not unlike the rest of the nation in this case. It is not at all uncommon for people in Hawaii to select their dental coverage separate from their health coverage. It may be best for Hawaii consumers if all the pediatric dental plans were offered as stand alone plans.

We urge the committee to not pass this bill to add additional requirements to the work of the connector. Thank you for your consideration.