



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

In reply, please refer to:
File:

House Committee on Health

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 13, 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.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
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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

Wednesday, March 13, 2013
8:30 a.m.

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

TO THE HONORABLE DAVID IGE, CHAIR, AND MEMBERS OF THE COMMITTEES:

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
STATE COUNCIL
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March 13, 2013

The Honorable Della Au Belatti, Chair
House Committee on Health
Twenty-Seventh Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Representative Au Belatti 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 13, 2013

The Honorable Della Au Bellati, Chair
The Honorable Dee Morikawa, Vice Chair

House Committee on Health

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

Dear Chair Bellati, Vice Chair Morikawa 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 mandated pediatric dental benefit as part of the essential benefits package. The potential benefit of this mandate includes:

- 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 not mandate to purchase those benefits through the exchange. Those regulations, however, conversely mandate pediatric dental benefits to be embedded in a health plans sold outside of the exchange. This creates an inequity between plans offered within the exchange and plans 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 purchases a dental health plan. That oral health plan may be purchased as part of the medical plan or in conjunction with a medical plan via a stand-alone dental health plan.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mark K. Oto".

Mark K. Oto
Director
Government Relations



Re: SB 1240 SD2 Relating to Pediatric Dental Coverage.

SB 1240 SD 2 mandates that the Hawai'i Health Connector (Connector") adopt a particular scheme for the implementation of its design, development and implementation plan ("DDI plan") of the Connector's affordable health insurance exchange ("AHIE") website with the objective of ensuring that exchange users under the age of nineteen purchase pediatric dental health benefits.

By way of Background, the Connector is the State-based AHIE¹ under section 1311 of the Patient Protection and Affordable Care Act of 2010 ("ACA") in the State of Hawai'i. Created by Act 205 Session Laws of Hawai'i of 2011, the Connector was founded to meet the State of Hawai'i's obligations under Section 1311 of the ACA and is strictly regulated by federal laws and regulations. The Connector's website goes live on October 1, 2013 to offer qualified health plans for the 2014 plan year. No consumer or employer is required to use the Connector's website. It is up to the Connector to provide a viable consumer-oriented alternative to the existing means of purchasing health benefit plans.

SB 1240 was originally introduced by the Hawaii Medical Services Association ("HMSA"), which is represented on the Connector's Board of Directors. Prior to the bill's introduction this issue was neither raised nor discussed at the Board's twice-monthly meetings. Likewise, the Board was not informed of the discussions, which led to the amendments that are now found in SB 1240 SD2.

One goal of the Connector's DDI plan is to ensure that there is as much consumer choice as possible in the use of the AHIE website. Secondly, the DDI plan is intended to ensure that users who purchase qualified health plans on the Connector website can be assured that they are satisfying their legal obligations with regard maintaining health benefits plans under both State and Federal law. Pediatric dental health benefits are among the required Essential Health Benefits ("EHB") under the ACA. To that end the DDI plan has included provisions to ensure that consumers who need this coverage will be alerted to this EHB requirement.

The current DDI plan adopted the following scheme:

1. The consumer logs on to the website and in the process fills out a questionnaire.

¹ AHIE's offer qualified health plans to qualified individuals and employers through internet websites, and maintain toll-free hot lines, in-person assisters, and navigators to assist qualified individuals and employers in obtaining and utilizing their plans.

2. Based upon the answers to these questions the system will generate a list of qualified health plans, which match the consumer's needs. This list will include both plans with and without embedded dental health benefits.
3. If the consumer chooses a plan without embedded dental health benefits they will be prompted to select a stand-alone dental health benefit plan.
4. If the questionnaire response indicates that the user has children, the user will be prompted to select a pediatric dental plan.

This is similar to the decision making process applied by health insurance consumers today in the traditional marketplace.

The above process is not final and is subject to the decision of the Connector Board of Directors.

It is distinguishable from the scheme proposed in SB 1240 SD 2 in that it does not require the user to reconsider his or her first decision in order to proceed with the selection of a stand alone dental plan. This is a feature of the proposed scheme, which is not found in the existing marketplace and tends to favor plans, which offer embedded dental health benefits.

Should you have any further questions please contact Jim Dixon, the Connector's General Counsel.

Testimony of
Phyllis Dendle
Testimony of Phyllis Dendle

Before:
House Committee on Health
The Honorable Della Au Belatti., Chair
The Honorable Dee Morikawa, Vice Chair

March 13, 2013
8:30 am
Conference Room 329

SB 1240 SD2 RELATING TO PEDIATRIC DENTAL HEALTH COVERAGE

Chair Belatti 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 adds a requirement that the federal government determined should be an option. The individuals and families who purchase their health coverage through the exchange are a very price sensitive group. With the high level of insurance coverage we have in Hawaii the relatively small group of possible participants in the exchange should not see any greater financial impact than is necessary. Moreover, given the compressed timeline in which we need to design the exchange and the lack of clarity regarding the unintended consequences of mandating coverage that is not required by the federal accountable care act, we believe this issue should be deferred until the exchange is operational and we see how the marketplace reacts. If it is the desire of the legislature to mandate the purchase

of pediatric dental coverage we recommend that the law specifically says that dental plans must be purchased separate from health care coverage. (See proposed amendment) 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. Having all dental plans offered on the Hawaii exchange be stand-alone gives consumers the greatest opportunity to compare benefits and costs and make an informed choice for their children.

We urge the committee to not pass this bill. Thank you for your consideration.

"§435H- Pediatric dental coverage mandatory for certain individuals. The connector shall require that all individuals under age nineteen purchase all of the Federal Act essential health benefits, including pediatric dental coverage. If an individual selects a qualified plan that does not include pediatric dental coverage, the connector shall alert the individual and require the individual to:

~~(1) Reselect a qualified plan with pediatric dental coverage; or~~

~~(2) Add add a qualified dental plan to the purchase."~~