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TO THE SENATE COMMITTEES ON HEALTH AND
COMMERCE AND CONSUMER PROTECTION

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Friday, February 1, 2013
1:45 p.m.

WRITTEN TESTIMONY ONLY

**TESTIMONY ON SENATE BILL NO. 1240 – RELATING TO PEDIATRIC DENTAL
HEALTH COVERAGE.**

TO THE HONORABLE JOSH GREEN AND THE HONORABLE ROSALYN H. BAKER,
CHAIRS, 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 the bill.

The purpose of this bill is to amend the definition of “qualified plan” in Hawaii
Revised Statutes (“HRS”) § 435H-1 to include 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
(Hawaii Health Connector) to offer a health plan which does not contain pediatric dental
benefits. This bill would require all health plans to offer pediatric dental regardless of
whether it is sold on the Hawaii Health Connector or outside of the Hawaii Health
Connector. This requirement should be reviewed to see if this would be considered a

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new mandated benefit that trigger 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.

HDS

Hawaii Dental Service

January 31, 2013

TO: SENATE COMMITTEE ON HEALTH
Senator Josh Green, Chair
Senator Rosalyn Baker, Vice Chair

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Senator Rosalyn Baker, Chair
Senator Brickwood Galuteria, Vice Chair

FROM: Faye W. Kurren
Hawaii Dental Service, President and CEO

RE: SB 1240, Relating to Pediatric Dental Health Coverage
Position: Oppose

Dear Chair Green, Chair Baker and members of the Committee:

Hawaii Dental Service (HDS) appreciates the opportunity to testify on SB 1240. We oppose this bill because it would limit choices for Hawaii residents who now overwhelmingly purchase medical and dental benefits separately by requiring them to purchase pediatric dental benefits on the Hawaii Connector exclusively through their medical plans. Further, the bill violates Section 1311(d)(2)(B)(ii) of the Affordable Care Act which states:

“Each Exchange within a State shall allow an issuer of a plan that provides limited scope dental benefits meeting the requirements of section 9832(c)(2)(A) of the Internal Revenue Code of 1986 to offer the plan through the Exchange (either separately or in conjunction with a qualified health plan) if the plan provides pediatric dental benefits meeting the requirements of section 1302(b)(1)(J).”

The intent of the ACA and Act 205 is to provide a competitive marketplace for individuals and employers to directly compare and purchase private health insurance options on the basis of price, quality and other relevant factors. The ACA specifically provides for stand-alone dental plans to be offered on state exchanges to promote competition by increasing the number of qualified health plans capable of offering the ten essential health benefits. The bill as drafted will preclude stand-alone dental plans,

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which currently provide 97% of the dental benefits in the United States, from competing with medical plans for pediatric dental coverage in the Hawaii Connector. In order to meet the goals of the ACA and Act 205, medical and dental benefits should be priced separately to have full and transparent disclosure of the pediatric dental benefit and its pricing, so the consumer can compare and make an informed choice. Studies show that when dental benefits are embedded in medical plans, consumers are often not aware of the dental benefits and do not take advantage of them despite having paid for them.

Today most Hawaii residents choose HMSA for their medical plan and choose HDS for their dental plan. This bill would no longer allow that choice for children and would be especially impactful on the neighbor islands where HDS provides a significantly larger network of general dentists and specialists when compared to any other dental network.

If the purpose of SB 1240 is truly to ensure that Hawaii's children have pediatric dental coverage, then the answer is not to limit the marketplace to issuers which embed pediatric dental benefits into their medical plans, but to open the marketplace up to any and all qualified dental plans and qualified health plans who will compete vigorously and allow consumers to make an informed choice for their children by comparing price, quality and other relevant factors as provided in the ACA.

We appreciate the opportunity to provide this testimony. Thank you.

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: leolinda@reqconsultants.com
Subject: *Submitted testimony for SB1240 on Feb 1, 2013 13:45PM*
Date: Wednesday, January 30, 2013 6:28:27 AM

SB1240

Submitted on: 1/30/2013

Testimony for HTH/CPN on Feb 1, 2013 13:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Leolinda Parlin	Family Voices/Hilopa'a F2FHIC	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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HPCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Health

The Hon. Josh Green, Chair

The Hon. Rosalyn H. Baker, Vice Chair

Senate Committee on Commerce and Consumer Protection

The Hon. Rosalyn H. Baker, Chair

The Hon. Brickwood Galuteria, Vice Chair

Testimony on Senate Bill 1240

Relating to the Pediatric Dental Health Coverage

Submitted by Nani Medeiros, Policy and Public Affairs Director

February 01, 2013, 1:45 p.m., Room 229

The Hawai'i Primary Care Association, which represents community health centers in Hawai'i, **supports with reservations**, Senate Bill 1240, Relating to Pediatric Dental Health Coverage.

The goal of the bill is to decrease rates of tooth decay among children. This is of paramount importance here in Hawaii, where tooth decay in children is twice as high as that for children living on the mainland. As a point of reference, 19 percent of six year olds in Hawaii are entirely free from cavities compared to over 94 percent of mainland children.

Statistics show unequivocally that there is a direct correlation between the rate of tooth decay in children and the percentage of children covered by dental insurance. Uninsured children are 2.5 times less likely to receive dental care than their insured counterparts and are reported to have three times the need. For those reasons, the Hawaii Primary Care Associations supports including pediatric dental coverage in the Hawaii Health Connector.

At the same time, we would like to raise some concerns regarding the increased cost that adding such coverage would pass along to consumers. As with any plan that offers a more robust package, it bears to reason that monthly premiums will be raised accordingly. Many families, especially those recently disenrolled from Medicaid or those currently uninsured, will barely be able to afford coverage as is. A family of four currently residing at 134% of the Federal Poverty Level, the level at which individuals and families go into the Connector, brings home approximately \$36,000 a year. Raising the baseline premium amount by including pediatric dental could make it that much more difficult for them to afford.

We thank you for the opportunity to testify on Senate Bill 1240.