



February 5, 2013

The Honorable Della Au Belatti, Chair
The Honorable Dee Morikawa, Vice Chair
Committee on Health
Hawaii House of Representatives
Hawaii State Capitol
415 S Beretania St, Honolulu, HI 96813
Submitted via email: repbelatti@capitol.hawaii.gov, repmorikawa@capitol.hawaii.gov
Re: **HB 1220**

Dear Representatives Belatti and Morikawa,

The National Association of Dental Plans (NADP) would like to comment on Hawaii House Bill 1220 regarding pediatric dental coverage. The bill is on the agenda for decision making by the House Committee on Health for Wednesday, February 6, 2013. To better understand the ramifications of HB 1220, we have included background on the dental specifications within the ACA.

Congress included oral health within the Affordable Care Act (ACA) as part of the Essential Health Benefits (EHB) package in recognition of its importance to the overall health of a child. NADP applauds this recognition and inclusion of vital dental coverage. Congress also acknowledged that 99% of dental policies are written separately from consumers' medical coverage today, and did not want to disrupt current dental coverage or negatively impact the dental market where premiums remain affordable due to a competitive marketplace.

To assure affordable access and choice for consumers, ACA Section 1311(d)(2)(B)(ii) requires, "Each Exchange within a State shall allow an issuer of a plan that only provides limited scope dental benefits meeting the requirements... to offer the plan through the Exchange (whether separately or in conjunction with a qualified health plan) if the plan provides pediatric dental benefits meeting the requirements..." The ACA continues in Section 1302 (b)(4)(F) to allow for QHPs not to include pediatric dental within their EHB package if a stand-alone dental plan is available on the Exchange. Congress did not anticipate for a state to bypass these sections by requiring QHPs to embed pediatric dental in all their policies and shutting out separate dental policies as an option for consumers, thereby moving in the exact opposite position of the ACA's intention on dental coverage.

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HB 1220 redefines “Qualified Health Plan” by requiring QHPs offered on the Hawaii Health Connector to include pediatric dental benefits even when a stand-alone dental plan is present on the Exchange. **NADP respectfully opposes HB 1220**, and encourages the Committee to fully investigate the ramifications this bill may have on constituents and families in the state. HB 1220 goes against the ACA promise of allowing consumers who may like their current coverage and provider to be able to continue that coverage.

Families with dental policies in place today as separate dental plans may be required to purchase duplicative coverage to what a medical plan would be required to offer under this legislation. Without access to medical plans that exclude pediatric dental benefits, families may be faced with a decision to purchase duplicative pediatric dental benefits or drop their current separate coverage in exchange for a medical plan with a network that does not include their current dentist.

While HB 1220 states HHS is not requiring the purchase of pediatric dental, it has not been published in any guidance. Regardless, of HHS’s decision whether to require the purchase of pediatric dental within Federally-facilitated Exchanges, Hawaii has a choice. Hawaii’s Health Connector can choose, (like other states have already done) to require the purchase of dental on their Exchange by all consumers, or just for those adults enrolling children, or none at all. As states have the choice to require the purchase of pediatric dental on Exchanges, there is no reason to require QHP’s to embed the coverage as there will always be dental choices available on the Exchange. We urge the Committee to reject HB 1220 and to follow the ACA, which allows for consumers to choose their dental from either a QHP or a stand-alone dental plan, like they do in the private market today.

NADP greatly appreciates the opportunity to share our views, and we are available to answer any of the Committee’s questions. Please feel free to contact me with any questions at 972.458.6998x111 or khathaway@nadp.org.

Sincerely,



Kris Hathaway
Director of Government Relations
National Association of Dental Plans

NADP DESCRIPTION

NADP is the largest non-profit trade association focused exclusively on the dental benefits industry, i.e. dental PPOs, dental HMOs, discount dental plans and dental indemnity products. NADP’s members provide dental benefits to over 92 percent of the 176 million Americans with dental benefits. Our members include the entire spectrum of dental carriers: companies that provide both medical and dental coverage, companies that provide only dental coverage, major national carriers, regional, and single state companies, as well as companies organized as non-profit plans.

National Association of Dental Plans

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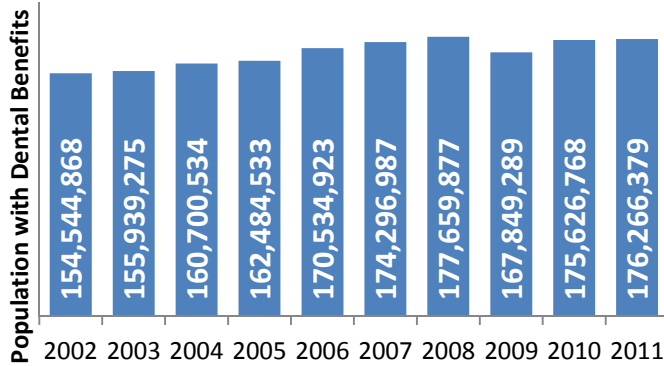
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National Enrollment Trends

State Enrollment

Enrollment



Source: 2012 NADP/DDPA Joint Dental Benefits Report on Enrollment

An estimated 928,062 people are enrolled in a private dental plan from Hawaii.

Private Plan Enrollment

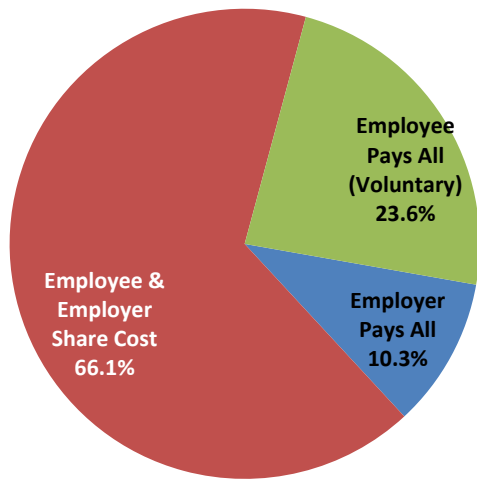
Plan Type	Enrollment
DHMO	20,131
DPPO	306,276
Indemnity	589,959
Other Private	11,695

Public Plan Enrollment

Medicaid/CHIP ¹	17,761
Other Public	1

Source: 2012 NADP/DDPA Joint Dental Benefits Report on Enrollment

Group Policy Funding

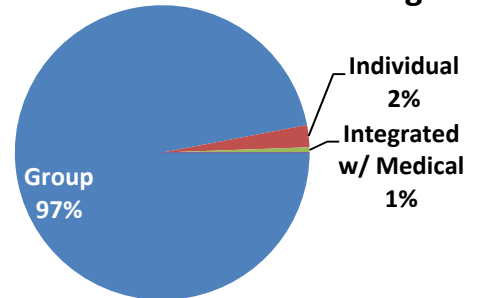


Source: 2012 NADP/DDPA Joint Dental Benefits Report on Enrollment

Distribution of Commercial Benefits: State v. National

	DHMO	DPPO	Indemnity	Other
Hawaii	2.2%	33.0%	63.6%	1.3%
National	8.4%	77.2%	9.0%	5.4%

Sources of Private Dental Coverage



Source: 2012 NADP/DDPA Joint Dental Benefits Report on Enrollment

Premium Facts

Nationally, premium increases for existing group coverage ranged from 0.1% for DPPO products to 1.8% for Dental Indemnity products.²

¹ Data from the Center for Medicare and Medicaid Services. If 0, then CMS data is not available.

² NADP 2012 Premium and Benefit Utilization Trends

Hawaii Dental Benefits Fact Sheet

Workforce

The federal standard for an adequate supply of dentists is 3.33 practicing dentists per 10,000 population.³

According to the American Dental Association, 940 dentists are actively practicing in Hawaii or 6.84 dentists per 10,000 population.⁴

Network Type	Total Dentists	General Dentists	Pediatric Dentists	Specialists
DHMO	81	63	2	16
DPPO	1,074	877	48	149
Discount	677	562	80	80

Source: 2012 NADP/DDPA Joint Dental Benefits Report on Network Statistics

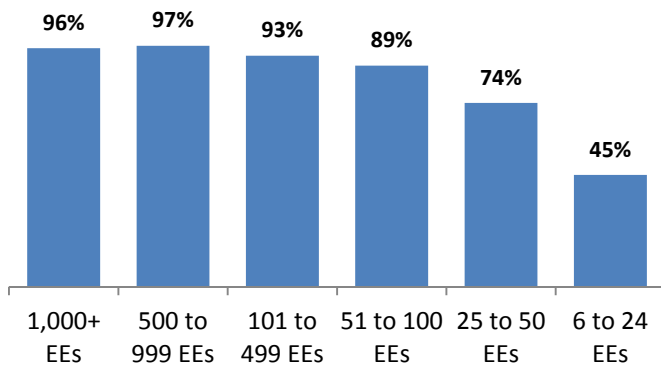
NADP Members

Plan Type	NADP Members Offering Dental Plans
DHMO	5
DPPO	20
Indemnity	12
Discount	11

Source: 2012 NADP Membership Directory

Where do Consumers Get Dental Benefits

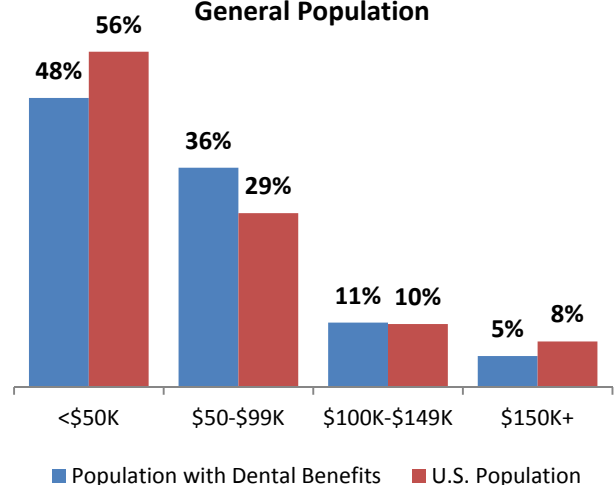
Employers Offering Dental Benefits by Employer Size



Source: 2011 NADP Purchaser Behavior Survey

Who Has Dental Benefits?

Consumers with Dental Benefits by Household Income compared to General Population



Source: 2012 NADP Survey of Consumers

About NADP

The National Association of Dental Plans (NADP), a nonprofit corporation with headquarters in Dallas, Texas, is the “representative and recognized resource of the dental benefits industry.” NADP is the only national trade organization that includes the full spectrum of dental benefits companies operating in the United States. NADP’s members provide Dental HMO, Dental PPO, Dental Indemnity and Discount Dental products to 160 million Americans, more than 80% of all the dental benefits in the U.S.

³ U.S. Department of Health and Human Services

⁴ American Dental Association