



President's Report

Bryan Geremia

► I think we can all agree that for those of you who attended our 21st Annual Conference, it was a valuable exchange of information and a great time to interact with other industry leaders. Attendance was outstanding and your sponsorship once again allowed us to offer an excellent three-day session. I particularly want to thank Jackie Miller and Monique Rice for all of their hard work in putting the conference together and making sure everything ran smoothly.

It is not too early to put a placeholder on your calendars for next year's Conference. We will be at the beautiful Hilton San Diego Resort & Spa on June 1-4, 2011.

I would also like to welcome our newest board member, Brian Watts from First Dental Health. Brian brings to the Board a fresh perspective and new ideas particularly as they apply to discount dental plans and the pending regulations. Welcome, Brian!

Speaking of regulatory issues, your Association continues to monitor and provide input to effect legislative issues that pertain to dental. The work that our Task Force has done with the CDA has been extremely fruitful. This group continues to provide assistance and input regarding the drafting of AB 2275 (Hayashi), which deals with discounts

on non-covered services. Although the Association's position regarding this bill is neutral, it is critical that we work with the CDA to ensure that the draft legislation is acceptable to all of our members.

This group's work with the CDA has convinced them that they should not pursue AB 684 (Ma), which addressed late claim payments, and AB 2035 (Coto), which dealt with self-funded dental benefit plans. Both of these bills would have resulted in increased administrative expenses for all of us. I want to thank Dr. Charles Stewart, Jeff Album and Courtney Barnes Ransom for their continued important work on the CADP/CDA Task Force.

It is also important to note that Nossaman, LLP and the work of Meg Catzen-Brown resulted in dental being excluded from AB 2578 regarding rate approvals.

As you can see, your Board and the Association have been busy, but there is still more work to do as we enter the summer. We will assist in the implementation of Timely Access to Health Care regulations, continue to track and advise on Discount Plan Regulations and provide the support needed to address pending and future issues that affect our industry and membership.

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The CADP News is published quarterly. Your suggestions and/or comments are encouraged. Please write or call:

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Dots and Dashes

Charles D. Stewart, DMD
Chair, Quality Management Committee

▶ The summer solstice has passed, and the usual calm before the political storm seems unlikely to be a reality this year. If past election seasons are the norm, this one is not! It seemed that as soon as the June primary passed, the rhetoric and mudslinging started and continues unabated. I wonder if this pace will continue until the General Election! The hotly contested offices of Governor and U.S. Senator seem to provide adrenalin to the political junkies. In addition, there remain issues that the current governor desires to address to try to leave some type of legacy.

Summer is traditionally the time the state legislature works on the budget, and this has its own set of interesting battles – the current one is the threat by the Governor of imposing a federal minimum wage on all state workers if the Legislature can't reach a budget deal by July 1st! There are also budget negotiations to reestablish some form of adult dental benefits under Medi-Cal. The negotiations surround the federally-mandated benefits and the application of these funds. I remain optimistic that some restoration of adult dental benefits could occur.

Another summer treat is the introduction of legislation regarding non-covered services, as mentioned in the President's Report. This legislation is in response to an ADA House of Delegates' resolution last year. Currently there are a number of States that passed such legislation.

The June Quality Management Conference was well attended, with 35 people completing this course. There were representatives from many national organizations in attendance. These groups provide CADP with increased exposure, and the attendance at these conferences helps to support the mission of CADP. Thank You to Jackie Miller and Monique Rice for assuring the accommodations and amenities were perfect for this conference.

The next meeting of the Quality Management Committee will take place in early September – time and place will be communicated by Jackie Miller.

Enjoy your summer!

Health Care Reform Update

▶ Beginning July 1, U.S. residents who have been denied insurance coverage because of pre-existing medical conditions will be able to apply for coverage in several states' new, temporary high-risk insurance pools. The pools were created under the national health reform law, which mandated that states must enact their own pools or allow the federal government to administer a pool for them until 2014, when the reform law requires insurers to accept all applicants. The overhaul stipulated that the pools be established within 90 days of its enactment. So far, 20 states have chosen to allow the federal government to operate the pools. The other 30 states, including California, have told the federal government that they plan to administer their own pools.

Of those 30, about 20 states have filed formal proposals with the federal government for funding. Federal officials say funding approval may come as early as July 1, with coverage set to begin in August. The remaining 10 states continue to work through legislative and other issues and might be weeks or months away from submitting proposals.

In California, the Legislature still needs to approve two bills giving the state the power to run the high-risk pool. The proposed high-risk pool will provide coverage for such Californians until 2014, when a separate provision in the health reform law prohibiting insurers from discriminating against those with pre-existing conditions takes effect. The two measures, AB 1887 (Villines – R-Clovis) would create the high-risk pool, while SB 227 (Alquist – D-Santa Clara) would authorize the state to set up the pool and contract with private insurers to provide coverage. The bills would help the state gain about \$761 million in federal funding.

The pools are expected to provide coverage to between 200,000 and 400,000 U.S. residents. Only people who have lacked coverage for at least six months will be eligible for the pools.

Budget Update

▶ Just before the State of California's new fiscal year began on July 1, Senate President Pro Tem Darrell Steinberg (D-Sacramento) and Assembly Speaker John A. Pérez (D-Los Angeles) announced that they have a unified Democratic budget framework. The proposal outlines budget principles on which they agree.

Democrats will pursue a new \$1 billion tax on oil production, as well as seek to delay about \$2 billion in corporate tax changes scheduled to take effect in January. They will also seek to maintain funding levels for Medi-Cal, In-Home Supportive Services and the welfare-to-work program.

They have not ruled out extending 2009 tax increases on vehicles and income that are due to expire within the next year. These would pay for a shift of public safety and welfare functions to counties. They will also seek the roughly \$54 billion for K-14 schools that Assembly Democrats wanted in their plan; Senate Democrats initially proposed less funding for schools, which would have required some program cuts. Democrats also want the state to commit to paying the additional \$9.8 billion to schools over several years that was negotiated in last year's budget.

Democrats will still pursue the Speaker's "Jobs Fund" plan of borrowing against future oil tax revenues to provide money for jobs in select industries and local governments. But they have not determined how much they will seek to borrow, since Senate Democrats want to use future oil tax revenues to pay for public safety and welfare functions they move to counties.

As a consequence of no approved budget for 2010-2011, the State will stop paying vendors, local governments and community colleges. The state also will withhold pay for lawmakers and their aides.

In the News. . .

► **45 Million U.S. Residents Lack Dental Insurance Coverage**—About 45 million U.S. residents do not have dental insurance, according to a recent CDC report. The report, which was based on data from a 2008 survey of 65,495 U.S. residents, found that nearly 75% of individuals younger than age 65 who already had private insurance also had dental coverage, often through their employer. Of those with dental coverage:

- 33% had a comprehensive plan including dental coverage;
- 26% carried a stand-alone policy; and
- 14% had both.

Researchers also identified a direct link between income and access to dental care, with U.S. residents with higher incomes more likely to carry dental coverage.

► **State Regulator Orders Reviews of Insurers' Proposed Rate Hikes**—In June, the California Department of Insurance announced that it has ordered independent reviews of proposed individual health insurance policy rate hikes sought by four of the state's largest health insurers. The announcement came after an independent actuary found errors in a recent rate filing by Anthem Blue Cross, which led the insurer to cancel its plans to raise rates by as much as 39% for 800,000 individual policyholders. The independent reviews will examine Aetna, Anthem, Blue Shield of California and Health Net.

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