



CALIFORNIA  
ASSOCIATION  
OF DENTAL  
PLANS

# News

PUBLISHED BY THE CALIFORNIA ASSOCIATION OF DENTAL PLANS

FALL/WINTER 2007

## President's Report

Len Matuszak

► "Don't look back - someone may be gaining on you" - a motto attributed to baseball's Satchel Paige - is an excellent comment on the environment for dental plans and our State, as well.

As the economy is under pressure from all quarters domestic (the effects of the subprime markets and the downturn in housing) and international (too numerous to list them all, but the continued escalation of oil prices and the substantial decline in the value of the dollar stand out), the effects on commercial and government dental benefits are taking shape.

Once again we can be proud of the achievements the Association made in providing leadership in Sacramento in 2007. However, nothing ever stays the same for long, and it is with that understanding that the CADP Board of Directors reviewed carefully its Strategic Plan for 2008. As adopted, the Plan directs more communication efforts at legislators, regulators, the provider community and public. To accomplish these objectives, additional plan participation is being requested. New subcommittees are being formed that will target actions to be taken by your Board representatives and participants from your companies. We'll review the Strategic Plan during our all-plan meeting taking place at the January Legislative and Regulatory Conference.

Yet again, we face budget constraints at both the Federal and State levels that will impact the scope and reimbursement of dental benefits. We can only hope that the foundations CADP has established and CADP future interactions will minimize the reduction in care for poor children and adults.

In September, the Department of Managed Health Care conducted public hearings on the development of regulations to address the "Timely Access" legislation. CADP submitted an extensive comment letter, recommending changes to the regulations that would provide a realistic means of plan monitoring, enforcement and compliance for dental-specific timely access standards. At the hearing, CADP spokespersons included legal counsel Mary Antoine, Jeff Album of Delta Dental, Steve Casey of California Dental Network and Dr. Dee FitzGerald of Care 1st. NADP's Kris Hathaway also provided testimony. CADP and CDA cooperated in bringing speakers to the meeting to represent the issues dentists would face. DMHC Director Cindy Ehnes commented that she appreciated the fact that dental plans had proposed an alternative regulatory scheme as the Department had requested prior to the hearing.

Make plans now to attend the Legislative and Regulatory Conference being held January 21-22, 2008, at the Sheraton Grand in Sacramento. As I mentioned earlier in this report, an all-plan business meeting will be conducted in addition to the review of key budget, legislative and regulatory actions affecting the dental community. This is always an informative meeting, so please be sure your plan is represented.

As this year ends, filled as it was with successes, your Board would like to wish you all the happiest of Holiday celebrations. We know that as we move into the New Year, we are prepared to take on the challenges that lie ahead.

## What's Inside

Dots and Dashes

Page 2

DMHC Update

Page 3

Legislative Update

Page 4

In the News

Page 5



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

**CALIFORNIA ASSOCIATION OF  
DENTAL PLANS**

One Capitol Mall, Suite 320  
Sacramento, CA 95814-3229

916/446-3122 • FAX: 916/444-7462

Jackie Miller, Executive Director

email: [jmiller@amgroup.us](mailto:jmiller@amgroup.us)  
[www.caldentalplans.org](http://www.caldentalplans.org)

# CADP Board of Directors

Len Matuszak  
President  
Western Dental Services, Inc.

Jeff Album  
Vice President  
Delta Dental of California

Kirk Andrews  
Secretary-Treasurer  
UnitedHealthcare Dental

Susan Klarner  
Past President  
Venture Health Group

Reza Abbaszadeh, DDS  
Access Dental Plan

Stephen Casey  
California Dental Network

Eric DuPont  
MetLife

Bryan Geremia  
Aetna Dental of California, Inc.

Robin Muck  
SafeGuard Health Enterprises

Charles Stewart, DMD  
Aetna Dental of California, Inc.  
(dental director representative)

# Dots and Dashes

Charles A. Stewart, DMD

Chair, Quality Management Committee

▶ I found the ADA meeting in San Francisco provided me many items I would like to relate in this edition of Dots and Dashes. The ADA distinguished speaker series was very enlightening... opportunities existed to hear and see a person who had sat with, touched and interviewed the majority of the modern day world leaders, from the 1970's to today. Also to hear the story of a cancer victim, the description of the numerous surgeries (especially carving the pumpkin), the triumphant recovery and ultimate status as an excellent athlete...was inspiring.

Barbara Walters did what she does best – she discussed the good times, the hard times and the funny times. She has established herself as one of the few journalists who is trusted, both by those being interviewed and by those who listen to her interviews and reports in various media formats. She is at the top of the list of trusted and respected journalists. Lance Armstrong told his story, complete with details – from cancer diagnosis through surgeries and recovery all the way to his multiple Tour de France victories. He is considered at the top of the cycling world, and at the top as a cancer survivor. His Livestrong campaign (in conjunction with Nike) has raised millions of dollars for cancer research. Both of these speakers provided a theme that flowed throughout the conference: **do your best and be the best. Be an inspiration.** I also heard the story of a group of dentists who had lost their practices and homes due to Hurricane Katrina, yet found time to volunteer for the local Give Kids a Smile Program. There was also a story of those serving the needs of patients in impoverished countries...inspirational!

Walking through the convention (the marketplace) is always interesting. This experience provides the opportunity to pick up information about new dental products and services. It is also very interesting to see how many dentists will stand in line for over an hour in order to get a free toothbrush!

This meeting was also one in which I noticed a marked change in the

relationship between dentists and the dental benefits industry. Many I spoke with (during the three-plus days I was working the booth) discussed issues in which we're all involved. Probably the one issue mentioned most frequently was the Shared Quality Assessment Warehouse Project. The comments were all favorable, and the dentists truly appreciated that the dental benefits industry had actually done something to help make their practices run more smoothly. They appreciate the fact that we can now accept an assessment if it is current, and not come into their offices and disturb their practices on numerous occasions. Many dentists stated they now viewed our industry as being partners based on this one action alone! A Partner! Wow!

Other dentists mentioned and expressed their appreciation to CADP for the efforts and testimony on the proposed access regulations. These proposed regulations directly affect how a dental office does business and responds to communication. The dentists appreciated that CADP had collaborated with them and stood up for their own individual office policies and protocols (we await the outcome of the second comment period on these regulations at the time of this writing). A Partner!

Other dentists spoke about the appreciation they have for CADP and dental plans providing them with materials and services to assist in the implementation of and compliance with the language assistance regulations. A Partner! A representative from the California Dental Association spoke with me and expressed the new age of cooperation between the Dental Benefits Industry and Organized Dentistry. They cited that CADP has been recognized as the sole source of information and/or conflict resolution assistance for third party issues. This expertise applies to both HMO and PPO plans. In addition, CADP has written or contributed to the monthly third party articles in the CDA Update. A Partner? No, Now an Inspiration!

# DMHC Update

Please note the following from the Department of Managed Health Care relative to (1) implementation of language assistance regulations, and (2) grievance reminders.

## ▶ Health Plan Implementation of Language Assistance Regulations [§1300.67.04]

Below please find a list of significant dates to calendar in order to facilitate your compliance with regulatory requirements of Language Assistance Programs.

- **February 28, 2008** (within one year of the effective date of this section): deadline to complete the initial enrollee assessment, inclusive of enrollee language needs and enrollee demographic profile. [Section 1300.67.04(e)(1)]
- **July 1, 2008**: deadline to file an amendment (in accordance with Section 1352 of the Act) to your quality assurance program, including notices advising limited-English-proficient persons of the availability of free language assistance and other outreach materials that are provided to enrollees. [Section 1367.04(b)(1)(B)(v)]
- **January 1, 2009**: deadline for implementation of your language assistance program in compliance with the requirements of Section 1367.04 of the Act.
- **January 1, 2009**: All provider contracts that are issued, amended, delivered or renewed on or after that date must require compliance with your plan's language assistance program standards. [Section 1367.04(c)(f), Section 1300.67.04(e)(4)]

The Department has posted a web page on the DMHC public web site devoted to Language Assistance. The Department intends to post updates as needed and respond to questions as they are submitted by Health Plans. On the public web site you will find a link to the Language Assistance Regulations and also a link to e-mail your implementation questions to the Department of Managed Health Care, Division of Plan Surveys: [languageaccess@dmhc.ca.gov](mailto:languageaccess@dmhc.ca.gov).

## ▶ Health Plan Grievance Reminders

Recently, the HMO Help Center has experienced difficulty obtaining timely and complete responses to requests for information on enrollee grievances from some health plans. We would like to remind plans of their obligations under the Knox-Keene Health Care Services Act of 1975 and Title 28 regulations:

- Health plans are required to establish and maintain a grievance system approved by the Department under which enrollees may submit grievances (1368(a)(1)).
- The grievance system shall require the plan to resolve grievances within 30 days (1368.01(a)).
- If the plan has multiple internal levels of grievance resolution or appeal, all levels must be completed within 30 days (Rule 13300.68(a)(4)(A)).
- The plan's grievance resolution shall be sent to the enrollee within 30 calendar days of receipt (Rule 1300.68(d)(3)).
- Plan enrollees may be required to participate in a plan's grievance process for up to 30 days before pursuing a grievance through the DMHC or the independent medical review process (1368.03(a)).
- When an enrollee submits a grievance to the DMHC, the DMHC will notify the health plan, and within 5 days, the plan must provide a written response to all issues raised by the grievance, a copy of the plan's response to the enrollee's grievance, copies of all medical records related to the grievance (or a statement that medical records weren't used in resolving the grievance), a copy of the cover page and all relevant pages of the enrollee's Evidence of Coverage (EOC) with applicable sections underlined (if the plan relied solely on the EOC in resolving the grievance, this fact shall be noted), all other information used by the plan or relevant to the resolution of the grievance (Rule 1300.68(g)(1-5)).
- The Department would like to remind plans that when they receive a "five-day" letter, or an IMR inquiry from the Department, and the plan has reversed its position, the plan should provide the Department within five calendar days written confirmation of the health plan's resolution including an explanation for the reversal of the plan's prior decision. The HMO Help Center will be reviewing these responses and if an explanation is not clear or has not been provided, an additional inquiry letter will be sent to the plan. We appreciate your attention to this matter, as a subsequent inquiry letter is not the preferred method to resolve these questions. If you have questions regarding this matter, please contact Andrew George, Senior Counsel, at (916) 255-2397 or by e-mail at [ageorge@dmhc.ca.gov](mailto:ageorge@dmhc.ca.gov).

Health plans must respond to all grievance inquiries issued by DMHC within the timeframes specified on the notification/request for information. Responses must be substantive and complete as discussed in Rule 1300.68(g)(1-5). Plans may not refuse to respond. Plans may not respond by requiring enrollees who have spent 30 days in the plan grievance process to first obtain service, treatment or medication denials from their medical group/physician.

# Legislative Update

Jo-Linda Thompson,  
Nossaman Guthner Knox & Elliott LLP

▶ The first year of the 2007-2008 session may never really end. After the regular session was adjourned in mid-September, two concurrent special sessions were immediately called by the Governor, one to resolve California's water issues and a second to finalize a health care plan. Despite hard work from many individuals, almost no progress has been made to resolve either water or healthcare issues.

The water session is largely over; no agreement could be reached between stakeholders supporting construction of dams and those supporting anything but dams. It is now expected that the "dam" group and the "no dam" proponents will work on competing initiative measures for the November 2008 ballot.

In the health care session, there are no breakthroughs to report as of this writing, although the stakeholder meetings have continued sporadically. Assembly Speaker Fabian Nunez did present his revised health care reform bill to the Assembly Health Committee in mid-November; not surprising, the measure passed out on a party line vote. A vote by the full Assembly has been postponed twice.

To date, dental coverage has not been part of these various plans. The cost of the proposed medical coverage is estimated to be in the \$12- \$14 billion range, so adding additional costs to

cover comprehensive dental coverage is unlikely in the near future.

Finally, the two special sessions may continue to run concurrently with the regular session that begins January 7th. If a resolution is possible on water or health care, a bill reflecting that agreement in a special session can become law 90 days after it is passed, needing only a majority vote in the Legislature (unless it is fiscal), and a signature by the Governor. A bill processed in the regular session does not become law until January of the next year unless it is an urgency statute that receives a two-thirds vote. I don't think we can get a two-thirds vote for a Mother's Day resolution at the moment, so these special sessions may have a pretty long run.

Turning to specific bills CADP has been working and following: Several key bills did not make it out of the Legislature this year, but will be held over to the start of next year. These include:

- SB 840 (Kuehl-CADP Oppose), which provides for a single payer health system.
- AB 1554 (Jones-CADP Oppose), imposing insurance rate regulation, was held in the Senate Health Committee after a 5-4 vote with two abstentions, by Yee and Negrete McLeod. The Health Committee granted reconsideration of this bill.

- SB 389 (Yee - CADP Watch), requiring independent provider claims dispute resolution process and prohibiting balance billing by hospital-based physicians, is also a two-year bill. It will have to pass out of the Assembly by January 31st to remain viable; that appears unlikely since it did not get out of its first committee.

Measures in which CADP was involved and which passed the Legislature included AB 895 (Aghazarian - Coordination of Benefits), which was signed into law. CADP worked to amend this bill and supported it after CADP-proposed amendments were accepted by the author. AB 834 (Hayashi - Dental Disease Prevention), supported by CADP, was vetoed by the Governor.

We expect a busy and interesting 2008: three elections will be held next year, beginning in February, then June and, finally, the big November Presidential election. There are more than 50 referendums and initiatives either already on one of these various ballots or in the process to gain a spot on one of them. And not inconsequential, the State's fiscal picture worsens with every passing day. I'm looking forward to our Legislative and Regulatory Conference in January. We'll definitely have a lot to talk about!

---

## *Dots and Dashes (continued)*

CADP is not just me doing what I do. It is not just Jackie Miller doing what she does. It's You, it's Me, it's All of us. We all contribute. Therefore, we all can take pride in our accomplishments and knowledge that we are an inspiration to our peers and dentistry as a whole.

To continue these efforts, we need continued plan support. The Quality Management Committee has established a very detailed strategic plan for the coming year. The items in this plan cannot be met without the support of all our members. It is exciting to look ahead and see the future successes that await us, yet we cannot sit back and languish in our past accomplishments and reputation.

I look forward to seeing you at the Legislative and Regulatory Conference January 21-22, 2008, at the Sheraton Grand in Sacramento. The meeting will provide us the opportunity to catch up on legislative and regulatory issues as well as an opportunity for QMC subcommittee updates.

As I close this column, I wish you all a very Happy Holiday Season and a Prosperous New Year!



**CALIFORNIA ASSOCIATION OF DENTAL PLANS**  
**18<sup>th</sup> Annual Legislative and Regulatory Conference**  
**January 21-22, 2008 ♦ Sacramento, CA**

**Registration Form**

*Please complete one form for each participant.*

Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Organization \_\_\_\_\_  
 Address \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_  
 V \_\_\_\_\_ F \_\_\_\_\_  
 E \_\_\_\_\_

**REGISTRATION FEES**

	<b>By Jan. 14</b>	<b>After Jan. 14; On-Site Fee</b>
<input type="checkbox"/> CADP member registrant	\$395	\$495
<input type="checkbox"/> CADP member - additional registrant(s), same company	\$295	\$395
<input type="checkbox"/> Non-CADP member registrant	\$495	\$595
<input type="checkbox"/> State rate (maximum of 2 attendees)	\$125	\$175
Total amount enclosed	\$ _____	

**PAYMENT INFORMATION**

CADP accepts checks, VISA, or MasterCard only. Checks should be made payable to CADP. If payment will be made by credit card, please complete the following:

MasterCard       VISA

Credit Card Number \_\_\_\_\_ Exp Date \_\_\_\_\_ 3 Digit Code \_\_\_\_\_

Name on Card \_\_\_\_\_

Signature \_\_\_\_\_

• **Note:** Credit cards will be processed under the name “Advocacy and Management Group,” or “AM Group.”

**REGISTRATION DEADLINE**

Early registration must be made by January 14, 2008. A \$100 late fee will be added for registrations received after that date.

**CANCELLATION POLICY**

Only written cancellations received by January 14, 2008, will receive refunds (less a \$50 processing fee). No refunds will be made after January 14, 2008.

**Please return this form and payment to:**

CADP, One Capitol Mall, Suite 320, Sacramento, CA 95814  
 v: 916.446.3122; f: 916.444.7462; Tax ID# 33-0385553

**QUESTIONS? CALL CADP: 916.446.3122, or FAX 916.444.7462**

# In the News...

---

▶ **Regulators to Issue Joint Regulations re Health Insurance Rescissions** — In late October, in a first-ever joint announcement, the Department of Managed Health Care (DMHC) and Department of Insurance announced that they would issue joint regulations to end the practice of illegal rescissions in the individual market.

The DMHC has released draft regulations, while the Department of Insurance is currently drafting parallel regulations. The DMHC regulations will clarify existing law, which states that a consumer must willfully misrepresent his/her health history before a health insurance policy can be rescinded. It will also require that health plans conduct medical underwriting before issuing a policy and fully investigate questionable responses on health history questionnaires. The Department of Insurance has also been actively investigating the rescission practices of health insurers.

Once the regulations are formally submitted to the Office of Administrative Law (OAL), the DMHC will hold a hearing to receive public input on the regulations and make any changes necessary. The regulations must be adopted one year from the date which they were submitted to the OAL.

▶ **Insurers Will Award Health Care Grants** — UnitedHealthcare Group and its PacifiCare subsidiary are offering health care grants in California totaling \$25 million over the next three years. The insurers said they will make grants in several categories, including preventive health, technological improvements and medical education in underserved communities. Individual grants will range from \$100,000 to \$5 million.

▶ **Delta Retains Military Dental Contract** — Delta Dental has received a multiyear, multibillion dollar contract extension to administer the federal dental program for military retirees. The TRICARE Retiree Dental Program, or TRDP, is considered the nation's largest voluntary, all-enrollee-paid dental program. It allows Delta to continue providing dental benefits to more than one million retirees and their families.

▶ **Insured Numbers Growing** — The number of uninsured U.S. residents grew by 2.2 million in 2006 to 47 million, up from 44.8 million in 2005, according to Census Bureau data released recently. The percentage of the U.S. population that was uninsured rose to 15.8 percent in 2006, up from 15.3 percent in 2005. The report found that in California, 6.7 million state residents, or about 20 percent of the population, were uninsured. To obtain the information, the Census Bureau collected information about the health insurance status of 300,000 individuals. Texas had the highest percentage of uninsured residents at 24.1 percent, while Minnesota had the lowest at 8.5 percent.

▶ **Delta Founding CEO Dies** — Dr. F. Gene Dixon, a dentist who in 1955 helped make dental insurance accessible to millions of Americans with the founding of the company now known as Delta Dental of California, died in late October at the age of 84. In 1955, labor union officials approached dental associations in Washington, Oregon and California for help in setting up a pre-paid, free-choice dental care program patterned after the medical insurance model. The California Dental Association (CDA) agreed and, in 1955, asked Dr. Dixon to run the program. In the 1960's, the program became completely separated from the CDA. Dr. Dixon retired as CEO of Delta Dental in 1977.

▶ **Higher Costs for Health Coverage** — Health plan costs for 2008 are likely to rise an average 6.7 percent, a slightly steeper increase than in 2007, and many workers will foot a larger part of the premiums, medical bills, or both, according to the Mercer Health & Benefits survey of more than 1,500 employers nationwide. Mercer said health plan costs would increase 9 percent for 2008, on a preliminary average, if employers renewed their current plans without changes. But employers expect to take steps to control costs such as switching insurers, offering lower-priced plans and altering benefits to keep the increase to an average 6.7 percent. If the predictions are on target, average health plan costs per employee will top \$8,500 next year, the amount typically shared by employers and employees. That compares with the actual average of \$7,523 in 2006.

▶ **States Investigate Limited-Benefit Plans** — Insurance regulators in 36 states, led by Alaska and Washington, have launched an investigation into limited-benefit health plans offered by HealthMarkets. The company, which has 650,000 members in 44 states, has received fines from insurance regulators in seven states and faced lawsuits from members since 2002. The State of Massachusetts has also filed a lawsuit against the company, alleging "deception and unfair practices," misleading consumers about the level of coverage provided by the plan. The results of the investigation are expected to be released before the end of the year.

*continued at bottom of page 7*

# 18th Annual Legislative & Regulatory Conference

## "2008: Deficits, Elections, Initiatives and Healthcare, or, Should the Governor Still be Smiling?"

The 18th Annual Legislative & Regulatory Conference is coming up soon! Don't miss out on what will be another meeting filled with the latest in the debates surrounding health care, budget deficits, 2008 elections and the political intrigue that always swirls around the Capitol. Our invited keynote speaker, Dale Bonner, Secretary of the Business, Transportation and Housing Agency, will update us on regulatory activity affecting health plans and insurers, the budget shortfall, and other issues on the table that affect California's business climate.

We'll also hear from legislators, health plan and insurance lobbyists, and key regulators. So register today! A registration form is included in the newsletter.

### Tentative Schedule of Events

#### Monday, January 21, 2008:

10:30 am	Quality Management Committee meeting
12:15 pm	Board of Directors' meeting
3:00 – 5:30 pm	Registration
4:00 – 5:00 pm	CADP Business Meeting (plan members only)
6:30 pm	Reception and Dinner Keynote Presentation: Dale Bonner, Secretary, Business, Transportation & Housing Agency (invited)

#### Tuesday, January 22, 2008:

7:00 am	Registration
7:30 am	Continental Breakfast
8:00 am	Conference convenes
8:15 – 9:15 am	Lobbyists' Roundtable: Moderator: Jo-Linda Thompson, CADP legislative advocate Jeffrey L. Shelton, Vice President, State Government Relations, Health Net of California Anne R. Eowan, Vice President, Association of California Life & Health Insurance Companies Charleen M. Milburn, Vice President, UnitedHealthcare Nicholas Louizos, Legislative Advocate, California Association of Health Plans

9:15 am – 10:00 am	<i>"Politics in Sacramento: Rumor, Innuendo and Some Real Hard Facts"</i> Greg Lucas, Writestuff Ink.
10:00 am – 10:20 am	Break
10:25 am – 11:00 am	<i>"The Republican Perspective"</i> Assembly Member Bill Emmerson, DDS, 63rd AD
11:00 am – 12:00 pm	<i>"Regulatory Round-up"</i> Mary Powers Antoine, Regulatory Counsel Edward G. Heidig, II, Chief Deputy Director, Department of Managed Health Care
12:15pm – 1:30 pm	Luncheon <i>"Health Priorities in an Era of Budget Deficits"</i> Assembly Member Hector De La Torre (invited)
1:30 pm	Conference concludes

---

*In The News... (continued)*

► **Northeastern States Lead Nation in Health Care Spending** — U.S. residents in the Northeast spend more on health care per capita than those in other areas of the nation, according to a study published by Health Affairs. For the study, analysts at CMS examined spending on health care from health insurance, personal expenses, Medicare, Medicaid and other sources for 2004. The study found that residents of 10 states, which included New York, Maine, Massachusetts and Vermont, in 2004 spent an average of \$6,345 on health care per capita, almost 20 percent more than the national average of \$5,283.

In comparing California and Massachusetts, significant differences in their health care spending patterns were noted, a comparison noteworthy because of health care reform efforts. Per capita health care spending in California was 12 percent below the national average, compared with 27 percent above the national average for Massachusetts. The report found that relative to Massachusetts, California had:

- A lower-than-average share of state residents younger than age 65;
- An above-average proportion of the population uninsured; and
- A higher percentage of state residents receiving coverage through HMOs.





## Nossaman Guthner Knox & Elliott LLP

For over 20 years Nossaman has provided a wide range of legal services to Dental Plans, Dentists and Managed Care Organizations — and has proudly represented CADP before the legislature and the world for 12 years!



**Nossaman**  
Guthner Knox Elliott LLP

[www.nossaman.com](http://www.nossaman.com)

Los Angeles San Francisco Irvine Sacramento  
Washington D.C./Virginia Austin Seattle



CALIFORNIA  
ASSOCIATION  
OF DENTAL  
PLANS

One Capitol Mall, Suite 320  
Sacramento, CA 95814-3229