



President's Report

Susan M. Klarner

► The Race is on! We've accepted the challenge that was presented to us by the leadership of the Department of Managed Health Care. As an Association, we readily accept this challenge for CADP to represent our member plans in the process of change.

On March 7, 2005, CADP was well represented in the first stakeholders meeting with the leadership of the Department of Managed Health Care. The goal of the kick-off meeting was to do an educational presentation to DMHC that would then serve as a springboard for a series of stakeholder meetings. I would like to acknowledge the significant contributions of Jeff Album from Delta Dental, Sam Gruenbaum of Western Dental, John Gaebel from Pacific Union Dental, and Mary Powers Antoine with Nossaman, for their efforts in compiling the white paper and presentation materials that were used for our discussion.

The next steps in the process are to begin the actual series of stakeholder meetings (or more correctly stated working sessions) that are intended to address and clarify what is now known as the "universe of issues" – some of which have impacted our ability to effectively compete on a level playing field in our own marketplace. DMHC Director Cindy Ehnes

specifically challenged the Department and CADP to work collaboratively to ensure "transparency and disclosure" (from a consumer perspective) for our end-products. What does this mean for our Plans? It means that we should have the ability to design and implement plans with greater flexibility in plan design, thus allowing us to capture a greater portion of the market that currently is without dental benefits or coverage. It should also mean that we have faster approvals of those products that we intend to market.

Perhaps the most significant challenge is that of timeframe – Director Ehnes has established June 2005 as the target for the completion of the work sessions. Given the fast approaching deadline, the CADP Board decided that it would be timely and relevant to review the presentation materials during our upcoming Business Meeting at the Annual Conference. We also anticipate that we will have held a number of the sessions prior to this time, so we will also be able to provide the most current status of the process.

I would like to acknowledge the efforts of Jim Buncher, Allen West and Jackie Miller for all the work they've done to prepare for the 2005 Annual Meeting. Additionally and on behalf of CADP, I

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CALIFORNIA
ASSOCIATION
OF DENTAL PLANS

News

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

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DENTAL PLANS**

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Dots and Dashes

Charles Stewart, DMD, and Karen Feldman, DDS, Co-Chairs, Quality Management Committee

▶ The CADP Quality Management Committee (QMC) has been extremely busy recently. Members have a newfound and heightened interest in UM/UR since the Department of Managed Health Care (DMHC) recently asked for a position paper from the industry on this controversial matter. Committee members have been actively involved in the creation and presentation of the UM/UR White Paper to the DMHC. Currently the DMHC is reviewing and preparing their comments to our presentation. In addition, members of the QMC were involved in the 2005 Give Kids a Smile program (GKAS). Through this program coordinated through the ADA and local component dental societies, QMC members were able to reach over 2,000 children statewide, with home care instructions, screenings, toothbrushes and actual treatment of immediate dental needs. The QMC agreed in their March meeting to take a more active role for the 2006 GKAS program. The AHIP and NADP Committees working on CDT 2007 have members of the QMC taking active roles, currently reviewing batch one code revision proposals. The QMC also voted to have a July Meeting to continue working on UM/UR

and the Medical Survey Process.

CADP sponsored a well-attended Auditor Training and Calibration Course in February. Thank you to Drs. Stewart Balikov and Ivan Berger for their assistance with this class. There were 38 attendees who provided a lot of positive feedback for the newly revised course. The next course will be held in conjunction with the Annual Quality Management Conference, May 13 and 14 in Dana Point.

The theme for this year's conference is: "Technology and the Dental Marketplace: Are We Falling Behind?" This conference promises to be very informative, with lectures on topics such as, the Shared Audit Concept, Technology and the Oversight Process, Evidence-Based Dentistry, as well as the Legal and Infection Control topics required for license renewal. The Friday afternoon Joint Conference component of the Quality Management Conference has been restructured to permit focus and attention to the Case Studies, through a proctored study hall atmosphere.

We look forward to seeing all of you May 13 & 14 in Dana Point!

President's Report (continued)

also acknowledge the commitments for conference sponsorship from our member plans – your financial support is so appreciated! We welcome your comments and feedback on any of the ef-

forts we undertake. Feel free to contact me by phone at (714) 708-5360 or by e-mail at sklarner@smilecare.com.

Legislative Update

Jo-Linda Thompson, Nossaman, Guthner, Knox & Elliott, LLP

▶ Of the more than 2,700-plus bills introduced in the 2005 Legislative Session, there are several which would have an impact on dental plans. The following are some of the measures we're watching on behalf of CADP:

▶ **AB 562 (Levine), AB 1091 (Parra)** – discount plans – CADP position: close watch. CADP has met on several occasions with Assembly Member Levine to discuss concerns about a level playing field and has suggested amendments to ensure that Knox-Keene plans can provide discount programs. AB 1021 is sponsored by a coalition of discount plans. Both bills would require regulation by the Department of Managed Health Care.

▶ **AB 598 (De La Torre)** – fair and reasonable contracts – CADP position: close watch. Sponsored by the California Medical Association, AB 598 would require all contracts between providers and health plans and insurers to be fair and reasonable, require contracts to be approved by the Department of Managed Health Care or Department of Insurance prior to being offered to a provider, prohibit a contract from containing a provision that waives a provider's right to resolve disputes on a class basis, and require that contract renewal is contingent upon a provider's annual execution. We will be contacting the author to request an exemption for specialized plans; should that not occur, CADP will move to an oppose position.

▶ **AB 966 (Saldaña)** – dental amalgam – CADP position: oppose. AB 966 would impose new requirements for

wastewater discharge containing mercury and preclude health insurance coverage or health (dental) plans from denying insurance coverage for amalgam alternatives based upon the cosmetic aspects of the alternatives. CADP opposes those provisions mandating coverage for amalgam alternatives.

▶ **AB 977 (Nava)** – co-pay and deductible approval process – CADP position: oppose. AB 977 would require the Departments of Managed Health Care and Insurance to conduct public hearings before granting approval to charge a deductible, copayment or other out-of-pocket cost for health insurance and specify factors which must be considered in deciding upon the application.

▶ **AB 1670 (Nation)** – health care coverage – CADP position: oppose funding mechanism of proposal. Part of an extensive bipartisan bill package authored by Assembly Members Nation (D-San Rafael) and Richman (R-Northridge), AB 1670 would require that individuals purchase health coverage, establish a purchasing pool for an essential benefits package and create a subsidy program for small businesses that employ low-income individuals. The bill would impose a tax on health plans equal to the gross premium tax currently imposed on insurers. CADP has met with Assembly Member Richman and his staff to exempt dental plans from the gross premium tax requirement, especially in light of the bill's exclusion of dental coverage.

▶ **AB 1672 (Nation)** – electronic record keeping mandate – CADP posi-

tion: oppose on the basis of cost. This bill would, after January 1, 2010, require health facilities, health insurers and health plans to record all health care information they obtain in an electronic recordkeeping system and require the Department of Managed Health Care to develop standards before January 1, 2007 for the electronic recordkeeping system. It would also impose the requirements on health care providers after January 1, 2012.

▶ **SB 367 (Speier)** – single patient/provider complaint process – CADP position: watch. Currently a spot bill, SB 367 states legislative intent to establish a single entity for the resolution of consumer and provider complaints concerning health care coverage.

▶ **SB 425 (Ortiz)** – rate regulation – CADP position: oppose. SB 425 would require health plans and insurers to obtain approval for a rate increase, including premiums, copayments, deductibles, charges and cost of coverage, require the Departments of Managed Health Care and Insurance to assess plans and insurers a fee for implementing the rate approval process and require both to adopt regulations to implement the process by July 1, 2006.

In addition to our electronic updates, we'll give you an update on these measures during the Annual Business Meeting in May in Dana Point.

Regulatory Update

Mary Powers Antoine, Nossaman, Gunther, Knox & Elliott LLP

Below is a chart describing the latest information on current, draft and proposed regulations promulgated by the Department of Managed Health Care that are of interest to dental plans.

CURRENTLY PENDING REGULATIONS

Regulation	Status	Remarks
AB 2179 –Access to Needed Health Care Services (T28, section 1300.67.2)*	First comment period ended Nov. 8, 2004	CADP submitted written comments regarding the draft regulations. Additionally, CADP collaborated with CAHP on the development of a coordinated set of amendments that were also offered to the DMHC. The DMHC is currently preparing a revised draft for the second comment period.
Block Transfer Filings (T28, section 1300.67.1.3)*	First comment period ended Dec. 1, 2004	The DMHC is currently redrafting these regulations in order to address comments received from plans and other stakeholders.
Conflict of Interest (T28, section 1000)	These regulations became effective Feb. 3, 2005	CADP did not comment on these proposed regulatory changes.
Outpt Prescription Drug Copayments, Coinsurance, Deductables, Limitations and Exclusions (T28, section 1300.42.7)*	First comment period ended Jan. 31, 2005	Although dental plans don't cover outpatient drugs, CADP is monitoring the draft regulations closely because they touch on the 50% copayment limitations. The DMHC is reviewing the comments and will amend the regulation where it deems appropriate.
Independent Medical Review*	First comment period ended Mar. 7, 2005	The DMHC is proposing to revise Rule 1300.70.4, regarding IMR, to add denial of urgent care or emergency services as defined in Rule 1300.67(g)(2) as a basis for the enrollee's right to IMR. CADP did not comment on this change.

POTENTIAL FUTURE REGULATIONS

Regulation	Status	Remarks
SB 853 – Cultural and Linguistic Services	In development	CADP continues to provide dental plan input to the regulators as the regulations are being developed.
AB 1455 – Claims Settlement Practices/DisputeResolution Mechanism (T28, sections 1300.71 and 1300.71.38)	Revisions under consideration	The Department is considering revisions to these regulations to address concerns plans have raised about UCR methodology and the annual report requirements. CADP is participating in these discussions, which are being spearheaded by CAHP.
Retroactive Terminations	Under consideration	The DMHC has prepared a Bulletin regarding requirements for the conditional order exemption process that should be sent out very soon. At the legislative conference in January, CADP members indicated that this issue is no longer of importance to them. For that reason, we have ceased our efforts to address the applicability of the conditional order of exemption to dental plans.

In the News...

▶ **Health Care Spending Up \$621 Billion** – Health care spending in the U.S. has increased by \$621 billion since 2000, to \$1.9 trillion this year, and current expenditures for health care account for approximately 24 percent of the GDP between 2000 and 2005. The analysis was reported by researchers at the Boston University of Public Health, who used government data and results of previously conducted studies. The researchers found that health care costs will account for 15.5 percent of the nation's economy in 2005, compared with 13.2 percent in 2002. The report also found that per capita health care spending in the US, on average, is double that of Canada, France, Germany, Italy and Great Britain.

▶ **HMO "Backlash" a Myth** – Most consumers in the late 1990s did not end participation in HMOs, despite a "backlash" over restrictions on health care, according to a new RAND study.

According to the study, HMO enrollment between 1998 and 2001 decreased by 0.4% nationwide but increased by 3.8% in western states. HMO enrollment among residents of western states with health insurance increased from 36.9% in 1994 to 57.1% in 2001, the study found. The study also concluded that managed care policies helped keep costs under control for several years but, in response to consumer criticism and because HMOs did not want to lose market share, they responded by allowing greater flexibility and allowing greater choice, to which some experts attribute the increase in health care costs in recent years.

▶ **DMHC Reinstates Cease & Desist Against Discount Plan** – In late February 2005, the Department of Managed Health Care reinstated a cease and desist order against Platinum Health Plus, LLC, for failing to comply with the terms and provisions of the

order, which had been temporarily suspended, when Platinum agreed to certain conditions. The Department noted five instances of noncompliance, including (1) Platinum failed to take the necessary steps to become licensed under Knox-Keene, (2) continued to promote deceptive advertising, misleading telemarketing scripts, inexact and deceptive price advertising, and inappropriate offers of gifts, (3) failed to confirm to the Department that it had altered its business operations sufficiently to fall within the scope of the temporary order, (4) failed to submit for review and approval its advertising and marketing materials, and (5) continued to sell accidental death and dismemberment and accident insurance as part of its discount program.

POTENTIAL FUTURE REGULATIONS ...continued from page 4

Regulation	Status	Remarks
SB 260 – Financial Solvency Regulations	In development	The Financial Solvency Standards Board is in the process of taking comments from stakeholders regarding proposed regulations. (These regulations will apply to risk bearing organizations only and are thus not likely to apply to dental plans.)
AB 2907 – Implementation Regulations	Status unknown	The Department was considering regulations designed to implement the Health Care Providers' Bill of Rights that was enacted by AB 2907. We have heard nothing further.

* This regulation is on the DMHC's 2005 rulemaking calendar as one that it intends to have completed by the end of the year.

Registration Information

REGISTRATION POLICIES

To qualify for advance registration fees, the CADP administrative office must receive registration form and payment by **Wednesday, April 27, 2005**. Registrations received after that date are subject to late registration fees. Only written cancellations received by April 27 will receive refunds (less a \$50 processing charge). *No refunds will be issued for cancellations after that date.*

To Register: Registration forms must be complete and accompanied by payment. 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 information:

Credit Card Number _____ Exp. Date _____

Name on Card _____

Signature _____

Questions? Call (916) 446-3122, FAX (916) 444-7462 or e-mail: ttyler@amgroup.us. Note: credit cards will be processed under the name "Advocacy & Management Group".

REGISTRATION FEES

ANNUAL CONFERENCE - MAY 11-13, 2005

Registration Fees:	By April 27	After April 27
CADP member - 1st registrant from company	\$600	\$700
CADP member - Additional registrant(s), same company	\$475	\$575
Non-CADP member	\$850	\$950
Non-affiliated spouse/guest (general sessions, luncheons)	\$200	\$225
Thursday evening event (spouse/guest)	\$115	\$135

NOTE: Registrations in first three categories above include one ticket to the Thursday evening fun night event.

QUALITY MANAGEMENT CONFERENCE - MAY 13-14, 2005

Registration Fees:	By April 27	After April 27
CADP member 1st registrant from company	\$440	\$540
CADP member - Additional registrant(s), same company	\$340	\$440
Non-CADP member	\$675	\$775
Thursday evening event (<i>optional</i>)	\$115	\$135

NOTE: Quality Management Conference fees do not include the Thursday evening fun night event. Tickets are \$115 and may be purchased separately. Complete the "Thursday Evening Event" portion of the registration form and include payment with the registration fee.

CONFERENCE REGISTRATION

Please type or print clearly. Your badge will reflect the information you give us. Make one copy for each person attending.

NAME _____ TITLE _____

ORGANIZATION _____ E-MAIL _____

ADDRESS _____ CITY _____ STATE _____ ZIP _____

PHONE _____ FAX _____

SPOUSE/GUEST NAME _____

Annual Conference Registration Fee \$ _____

Quality Management Conference Registration Fee \$ _____

Non-affiliated Spouse/Guest Registration Fee \$ _____

Thursday Evening Event (optional event for Quality Management Conference & Spouse/Guest registrants) \$ _____

TOTAL FEE ENCLOSED \$ _____

**Mail registration form and payment to CADP
One Capitol Mall, Suite 320, Sacramento, CA 95814-3229.**

For office use only	
Amt. paid _____	_____
Amt. due _____	_____
Fwd date _____	_____
Reg date _____	_____
Update _____	_____

16th Annual Conference Update

▶ Make plans now to attend CADP's 16th Annual Conference, May 11-14! Taking place at the Laguna Cliffs Marriott Resort & Spa in picturesque Dana Point, you'll hear the latest in technology trends in the dental benefits industry. The program focuses a spotlight on the future of technology, and experts discuss specific technologies applicable to plans, regulatory technology linkages and technology innovations of member plans.

▶ To make hotel reservations, call the Laguna Cliffs Marriott directly – (949) 661-5000; central reservations –

(800) 533-9748. Reservations for the conference must be made by April 10, 2005. When making your reservation, please let the hotel know that you're attending the CADP conference.

▶ To register for the conference, complete the conference registration form included in the newsletter and return it to CADP's administrative office. Contact CADP for a conference brochure, or download a packet from CADP's website, www.caldentalplans.org.

We'll see you in Dana Point!

"TECHNOLOGY AND THE DENTAL MARKETPLACE: ARE WE FALLING BEHIND?"

Program Co-Chairs: James Buncher, Allen West

ANNUAL CONFERENCE GENERAL SCHEDULE

Wednesday, May 11:

2:30 pm - 5:00 pm	Registration
12:00 pm	Board of Directors' Meeting
2:30 pm - 5:00 pm	Exhibit set-up
3:00 pm - 5:00 pm	Annual Meeting
5:00 pm - 6:00 pm	Welcome Reception

Thursday, May 12:

TBD: CEO Roundtable (tentative)	
7:00 am - 5:00 pm	Registration
8:00 am - 8:45 am	Continental Breakfast
8:00 am - 4:00 pm	Exhibits Open
9:00 am - 4:00 pm	Annual Conference
7:00 pm - 10:00 pm	Fun Night

Friday, May 13:

7:00 am - 2:00 pm	Registration
7:30 am - 8:45 am	Continental Breakfast
7:30 am - 12:00 pm	Exhibits Open
8:00 am - 5:00 pm	Quality Management Conference
9:00 am - 1:00 pm	Annual Conference
2:00 pm	Board of Directors' meeting

Saturday, May 14:

8:00 am - 5:00 pm	Quality Management Conference
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SPEAKERS AND PRESENTATIONS:

Thursday, May 12:

8:00 am - 8:45 am	Continental Breakfast – Visit Exhibits
9:00 am - 10:00 am	Keynote Presentation: <i>"Innovative Use of Technology in Health Care"</i> Jeff Margolis, Chairman & CEO, The TriZetto Group, Inc.
10:00 am - 11:00 am	Break – Visit Exhibits
11:00 am - 12:00 pm	<i>"Technology and Its Impact on the Sales Process"</i> John F. Randazzo, CEO, BenefitPoint
12:15 pm - 1:30 pm	Luncheon <i>"Protection of Confidential Information and Data"</i> Kevin Coffey, Principal, Corporate Travel Safety

(continued)

2:00 pm - 3:30 pm *"A Technology Primer: What Plans Are Doing"*
 Moderator: Stephen J. Baker,
 President & COO, SafeGuard
 Health Plans
 Patrick S. Steele, Executive Vice
 President & CIO, Delta Dental of
 California
 Daryl Koroluk, Dental Customer
 Services/Operations, Aetna Dental
 Laurel A. Flebotte, Chief Information
 Officer, CIGNA Dental
 Shankar Rao, Director, Information
 Technology, PacifiCare Dental &
 Vision

3:30 pm - 4:30 pm Dessert with Exhibitors

7:00 pm Fun Night: España in California!

Friday, May 13:

7:30 am - 8:45 am Continental Breakfast –
 Visit Exhibits

9:00 am - 9:45 am *"How Technology Will Improve the Oversight
 Process: DMHC Initiatives"*
 William Barcellona, Deputy Director,
 Plan and Provider Relations

9:45 am - 10:30 am *"Electronic Attachments: Are You
 Kidding Me?"*
 Thomas W. Hughes, CEO,
 National Electronic Attachment,
 Inc.

10:30 am - 11:00 am Break – Visit Exhibits

11:00 am - 11:45 am *"Increased Efficiencies Through Offshoring"*
 Cory White, Director, Business
 Development, ACS, Inc.

12:00 pm - 1:00 pm Luncheon
*"Evidence-based Dentistry – In Practice, Not
 Concept"*
 Robert Compton, DDS, Director,
 Disease Management, Delta
 Dental Plan of Massachusetts

1:00 pm Annual Conference concludes

2:00 pm Board of Directors' meeting

6:00 pm Reception

QUALITY MANAGEMENT CONFERENCE GENERAL SCHEDULE

SPEAKERS AND PRESENTATIONS:

Friday Program:

8:00 am - 9:00 am *"Technology's Impact on Plan Audits: Creating a
 Cost-Effective System"*
 Danny Vu, President and CEO,
 C2 Systems
 Karen Feldman, DDS, Dental Director
 WellPoint Dental Services
 Charles D. Stewart, DMD, Dental
 Director, West Territory, Aetna Dental of
 California Inc.

9:00 am - 9:45 am *"How Technology Will Improve the Oversight
 Process: DMHC Initiatives"*
 William Barcellona, Deputy Director, Plan
 and Provider Relations

9:45 am - 10:30 am *Introduction and History*

10:30 am - 11:00 am Break – Visit Exhibits

11:00 am - 12:00 pm *Case Study 1*

12:00 pm - 1:00 pm Luncheon
"Evidence-Based Dentistry"
 Guest Speaker: Robert Compton, DDS,
 Director, Disease
 Management, Delta Dental of
 Massachusetts

1:30 - 5:00 pm *Proctored study hall – question and answer period*

6:00 pm Friday Evening Reception

Saturday Program:

8:00 am - 10:00 am *California Law Update*
 Stewart Balikov, DDS, Dental Director,
 Aetna Dental of California Inc.

10:00 am - 12:00 pm *Facility Lecture and Case Study*

12:00 pm Luncheon

1:00 pm - 3:00 pm *Review of Cases 2, 3 and 4*

3:30 pm - 4:30 pm *Case 5*

4:30 pm *Credentialing Examination*

NOTICE OF ANNUAL BUSINESS MEETING

▶ The Annual Business Meeting of the California Association of Dental Plans will take place on **Wednesday, May 11, 2005, at 3:00 pm, at the Laguna Cliffs Marriott Resort and Spa, Dana Point, California.** At that time, the election of members to the Board of Directors will take place.

The Board of Directors has approved the following slate of candidates for four seats whose terms expire in 2008:

Reza Abbaszadeh, DDS, Access Dental
Jeff Album, Delta Dental of CA
John Gaebel, DDS, Pacific Union Dental
Bryan Geremia, Aetna Dental
Sam Gruenbaum, Western Dental
Kim Sheldrake, AmeriPlan USA
David Spence, Dedicated Dental/InterDent

In accordance with the Bylaws, plans wishing to nominate candidates at large may do so using the following process:

"Not less than thirty (30) days before the annual meeting of members, members wishing to nominate candidates for directorships shall submit to the corporation in care of the secretary a nominating petition for each such candidate signed by two (2) members." If you wish to nominate a candidate in this manner, the petition must be forwarded to Len Matuszak, Secretary/Treasurer, c/o the CADP administrative office, no later than Monday, April 11, 2005.



CALIFORNIA
ASSOCIATION
OF DENTAL
PLANS

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