



President's Report

Susan M. Klarner

Every quarter when I sit down to write the President's Message, I think about all the changes to the dental plan industry and how those changes have affected this association. In my opinion the industry changes have caused this association to focus more intently on the issues facing California dental plans. This focus has resulted in some real notable accomplishments.

As a member of this association you have an opportunity to really make a difference. Membership in CADP is more than belonging to a dynamic organization. It is building professional relationships with high quality and individually dynamic people. Some of these business relationships that have developed have added strength, vitality, and even compassion to your business. It is the receipt of respect from people that you grow to admire. For me, that has meant meeting business leaders who truly epitomize the qualities I strive to attain on a daily basis.

It is for that reason that I wish to highlight the importance of attending CADP's upcoming annual meeting being held in Indian Wells beginning May 31, 2006. It is a well organized, well attended, and well thought of event with dynamic presentations

and speakers scheduled. This year's meeting is being planned by Bryan Geremia of Aetna and Jackie Miller from CADP. We all look forward to seeing you in the desert for this exciting 3-day event! Those mentioned above will tell you that it takes a team effort to plan an event, so please enlist others in your organization to participate in this exciting venue. Registration is still open and sponsorships are available.

At this time I would like to recognize the efforts of Dr. John Gaebel who has done outstanding work as a board member in strengthening relationships between member plans and the DMHC. John has just recently resigned his position on the Board of Directors and he will be greatly missed. Please join me in recognizing his efforts and the contributions to this association from Pacific Union Dental/United HealthCare Dental – the organizations with which he was most recently affiliated. John, thank you for your commitment, dedication and being a wonderful example to us all!

We welcome your comments and feedback on any of the efforts we undertake. Feel free to contact me by phone at (714) 708-5360 or by e-mail at sklarner@smilecare.com.

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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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Vacancy

Dots and Dashes

Haren Feldman, DDS, Charles Stewart, DMD; Co-Chairs, Quality Management Committee

Spring 2006 began with the Auditor Certification Course. Forty-seven energetic and interested participants attended. The two required courses for California dental license renewal (Infection Control and Dental Practice Act), recently approved by the Dental Board of California, were well received. These courses are one of the unique benefits CADP provides its members. The Quality Management Committee occurred in mid-March, with the Department of Managed Health Care in attendance. The information given at this meeting was very valuable, and the Department provided member plans insight about regulatory compliance and audits.

The main topic of the meeting was the industry action and response to the California Smile Survey. CADP provided testimony during an informational hearing of the Assembly Health Committee on Children's Oral Health, which took place on February 28, 2006. Dr. Feldman reiterated that access to care leads to prevention. She also noted impediments to dental care, such as the increased cost of medical insurance and the impact on an individual's ability to purchase optional benefits; reduced employer health offerings to ensure that they can retain medical insurance for their employees; and the growth of the immigrant population in California, which traditionally has not had access to dental services.

Although according to the survey the picture appears bleak, Dr. Feldman testified that there are programs and solutions sponsored by dental plans that address access issues and lead to prevention. These programs include free basic dental care and are supported by plans such as:

- Liberty Dental Plan partnered with the Sacramento County Department of Health and Human Services for the "Smile Keeper" program. Approximately 530 children in 87 classrooms from 18 HeadStart Schools received fluoride varnish treatment, a proven and successful method of cavity prevention.

- Access Dental Plan provides a

mobile dental program to the River Delta Unified School District. Access has conducted 13,000 screenings of children from Butte to Merced counties. Funding for this came from grants and the rest pro bono from Access.

- Aetna Dental's Outreach Program in February provided screenings and information on home care and nutrition to nearly 1,650 children in the San Fernando Valley, including a modified program at a school for educationally and developmentally disabled children.

- WellPoint reached nearly 1,000 children at a Title 1 School in Torrance.

- Dedicated Dental Systems, a small dental plan in the central valley, provided screenings to children in the Kern County community of Arvin.

- Access Dental also incorporated a dental care and prevention program into an Obesity Summer Day Camp Program, sponsored by Health Net, Catholic Healthcare West, Access Dental Plan and the Sacramento State University Division of Nursing.

Dr. Feldman also suggested another innovative solution: enhancing dental plan partnerships with medical counterparts in clinics, hospitals and facilities located in Medically Underserved Areas designated as rural, frontier or urban utilizing clinics, hospitals and/or facilities in Health Professional Shortage Areas. She also testified that CADP and the Department of Managed Healthcare have developed a more flexible benefit plan design, which allows plans to develop dental insurance products that are more affordable and geared to those who currently have no dental insurance. Those who could benefit from such plans designs include seniors, low-income individuals and those whose employer does not provide dental insurance, and it is hoped that innovative programs such as these will reduce the number of Californians lacking dental care.

QMC was advised that CDT-2007 needs to be in place by January 1, 2007.

We look forward to seeing you in June at the Quality Management Conference!

Regulatory Update

Marq Powers Antoine, Nossaman, Guthner, Knox & Elliott, LLP

Below is a chart describing the latest information on the Department of Managed Health Care's currently pending regulations, regulations under consideration, and the Department's regulatory priorities (as best we know them).

CURRENTLY PENDING REGULATIONS

Regulation	Status	Remarks
SB 853 – Cultural and Linguistic Services (Adds Rule 1300.67.04)	The DMHC held two public hearings on the draft regulations during February, one in Los Angeles and one in Sacramento. The comment period for the latest draft of the regulations ended March 3, 2006. We anticipate that the regulations will become effective sometime early this Spring.	CADP provided testimony at both hearings. CADP also filed extensive comments highlighting the many reasons why the regulations need to treat dental plans differently, and how that should be accomplished. CADP also endorsed the language changes to the draft regulations contained in CAHP's comment letter.
Outpatient Prescription Drug Copayments, Coinsurance (Adds Rule 1300.42.7)	Regulations have been submitted to OAL.	CADP has not commented on these draft regulations. CAHP has submitted a letter to OAL asking that the regulations be rejected on the basis that the Department made significant substantive changes after the comment period closed.

REGULATIONS CURRENTLY IN DRAFTING PROCESS

Regulation	Status	Remarks
AB 2179 – Access to Needed Health Care Services (Amends Rule 1300.67.2)	The drafting process is expected to resume soon. The anticipated effective date: September/October 2006.	CADP will be involved in the stakeholder meetings that the DMHC will be holding to discuss the proposed content of these regulations.

POTENTIAL FUTURE REGULATIONS

Regulation	Status	Remarks
Title 28, CCR, §1300.51 Revision	Revision of this regulation is on the DMHC's 2006 priority list. Anticipated effective date: May 2007.	The DMHC ad hoc working group, in which CADP participates, is evaluating recommendations to overhaul Title 28 CCR § 1300.51 (pertaining to application exhibits) to reduce filing burdens and costs and speed DMHC review and approval.
Discount Programs	This issue is on the DMHC's 2006 priority list. If the DMHC decides to move forward with promulgating regulations, the anticipated effective date would be December 2006.	The DMHC is also involved in legislative efforts to address discount programs. AB 2855 (Parra) is the current legislative vehicle. CADP is participating in stakeholder meetings which will be taking place throughout the Spring and Summer.

POTENTIAL FUTURE REGULATIONS

Regulation	Status	Remarks
Public Hearings and Meetings	This issue is on the DMHC's 2006 priority list. Anticipated effective date: August 2006	Consumer stakeholders are urging the DMHC to provide a clear mechanism for requesting a public hearing or meeting.
IMR Medical Records	This issue is on the DMHC's 2006 priority list. Anticipated effective date: July 2007	This is not expected to affect dental plans.
Out of State Records	These regulations have been placed on the DMHC's "pending until further notice" list.	We do not expect to see these regulations resurrected any time soon, if ever. After this report, we will remove this issue from our list.
Centers of Excellence	Issue posted on DMHC website June 30, 2005.	The Department's focus will be on hospitals, so we will simply monitor any draft regulations that are issued to make sure that they do not inadvertently sweep in dental plan providers.
Advertising Issues	Issue posted on DMHC website June 2, 2005.	The DMHC is considering whether regulations are needed to clarify advertising requirements and limitations. The current advertising regulations are being discussed in the DMHC's ad hoc work group, in which CADP participates. There may be revisions to the regulations coming out of that process.
Dental Plans	Issue posted on DMHC website June 2, 2005.	No indication from the DMHC that it is working on regulations on this subject matter at present. We will continue to monitor.
Obesity Issues	Issue posted on DMHC website May 9, 2005.	No indication from the DMHC that it is working on regulations on this subject matter at present. We will continue to monitor.
Rural Access to Plan Providers and Emergency Providers	Issue posted on DMHC website May 9, 2005.	No indication from the DMHC that it is working on regulations on this subject matter at present. We will continue to monitor.

In the News...

▶ **Retail Association Files Suit Against Maryland Health Insurance Law**—In a move not entirely unexpected, the Retail Leaders Association filed a federal lawsuit in Baltimore, Maryland, arguing that the state's Fair Share Health Care Act is illegal under the Employee Retirement Income Security Act (ERISA). The Maryland law, which was enacted earlier in 2006, requires employers with 10,000 or more employees to spend at least eight percent of payroll costs on health care or contribute to a state fund for the uninsured. The lawsuit contends that state and local governments are not permitted to mandate levels of health care coverage by private companies and requests that an injunction be granted to prevent enforcement of the law. It also argues that the law unfairly singles out a specific company, which violates the Equal Protection Clause of the Constitution. As written, the legislation applies only to Wal-Mart.

▶ **Health Net Completes Acquisition of Universal Care**—Health Net has completed its acquisition of Universal Care, which will add more than 100,000 new members to its enrollee numbers. Prior to the acquisition, Health Net had 692,000 enrollees. The Department of Managed Health Care approved the transaction under the condition that commercial members' health insurance plan benefits would not be changed for at least 18 months.

In the News (continued on page 5)

▶ **Study Disputes Amalgam Risk**—An abstract published in the April 19 issue of the *Journal of the American Medical Association* outlines the results of two government-funded studies. The results of the New England Children's Amalgam Trial, a two-group randomized safety trial involving six community dental clinics between September 1997 and March 2005, found no evidence that dental fillings containing mercury causes brain damage or other neurological problems in children. The conclusions: "In this study, there were no statistically significant differences in adverse neuropsychological or renal effects observed over the 5-year period in children whose caries were restored using dental amalgam or composite materials. Although it is possible that very small IQ effects cannot be ruled out, these findings suggest that the health effects of amalgam restorations in children need not be the basis of treatment decisions when choosing restorative dental materials."

▶ **Language Barriers Could Lead to Lawsuits Against Insurers**—The Los Angeles Times reported recently that a lawsuit recently filed against Blue Cross of California highlights "an issue that experts say could plague the health insurance industry in coming years as it increasingly reaches out" to non-English speakers: legal problems unless insurers provide policies in members' primary language. The Times reported that Blue Cross retroactively canceled coverage for a Spanish-speaking man, saying he did not disclose a preexisting medical condition in his application. The man and his wife claim that they properly disclosed all medical information to a Blue Cross worker in Spanish but said that they could not verify the information on the application because the company completed it in English.

▶ **Steep Rise Projected for Health Spending**—Healthcare will account for 1 in 5 dollars spent in the United States by 2015, and health savings accounts (HSAs) are unlikely to help much in containing costs, according to an annual forecast by the National Health Statistics Group (NHS) at the Centers for Medicare and Medicaid Services. By that time, the healthcare bill is expected to reach \$4 trillion and will consume 20 percent of the country's gross domestic product, with the government paying about half of that amount. NHS analysts expressed doubt that consumer-driven healthcare will be able to contain costs because, unlike the cost

reductions that managed care achieved in the 1990s, individual consumers lack the same purchasing power.

▶ **Discount Plan Faces FCC Fine**—The Federal Communications Commission is seeking to levy a \$776,500 fine against First Choice Healthcare Inc., of San Diego, a company that provides health care discount cards nationally, for allegedly violating rules against sending unsolicited fax advertisements. The FCC's Enforcement Bureau stated that its action was based on complaints that the company had sent at least 98 unsolicited advertisements to the fax machines of at least 37 individuals and companies around the country. The FCC first cited the company for sending unwanted faxes in July 2004. First Choice did not respond to that citation and, according to the Commission, continued sending unsolicited faxes as late as November 2005.

▶ **Blue Cross Accused of Illegally Canceling Policies**—Ten former Blue Cross of California members filed lawsuits in late March, accusing the insurer of regularly canceling coverage retroactively for people who need costly care. According to the lawsuits, Blue Cross and Blue Cross Life & Health operate a "retroactive review department" that examines members' records to find medical information that was not disclosed on members' applications. The plaintiffs allege that the insurer uses that information as a reason to cancel the policy, even though the discrepancies may have been unintended or unrelated to the claim. Plaintiffs also stated that they completed their applications for an individual health policy honestly, and treatment was authorized by Blue Cross for months before they were diagnosed

with a previously unknown and serious medical condition.

▶ **CMS Developing Program to Control Medicaid Fraud**—The Centers for Medicare and Medicaid Services (CMS) is developing a program to help control Medicaid fraud at both federal and state levels that will likely be ready by early summer. The program will provide oversight of Medicaid providers and state "program integrity" operations, according to CMS' Center for Medicaid and State Operations. The budget reconciliation act passed in February provides funding to help identify and prevent Medicaid fraud through additional staff and other resources; the funding will also be used to expand the program nationally. According to CMS, nine states currently have programs in place in which federal and state officials work together to find fraudulent billing in both Medicaid and Medicare.

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17th Annual Conference Update

Make plans now to attend CADP's 17th Annual Conference, May 31-June 3! Taking place at the beautiful Renaissance Esmeralda Resort & Spa at the base of the Santa Rosa Mountains in Indian Wells, you'll hear experts discuss today's issues – the consumerism phenomenon, the surge in voluntary and discount products, and the current regulatory climate. But there's time for fun, too! Although the Thursday Fun Night theme is "CADP Survivor!" you won't have to battle snakes and scorpions, or walk on fire! But you will enjoy a delightful evening in the desert.

To make hotel reservations, call the Renaissance Esmeralda directly; (760) 773-4444. The deadline has been extended to May 7, 2006 – so if you haven't called, there's still time! 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 the sunny desert!

“Dental Benefits: Growth Industry or Mature Market?” ***Program Chair: Bryan Geremia***

Annual Conference General Schedule:

Wednesday, May 31:

2:30 pm - 5:00 pm	Registration
12:00 pm - 2:30 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, June 1:

7:00 am – 5:00 pm	Registration
8:00 am – 8:45 am	Continental Breakfast
8:00 am – 4:30 pm	Exhibits Open
9:00 am – 4:30 pm	Annual Conference
12:00 pm – 1:00 pm	Luncheon
3:45 pm – 4:30 pm	Dessert with Exhibitors
7:00 pm – 10:00 pm	Fun Night

Friday, June 2:

7:00 am – 12:00 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
12:00 pm – 1:00 pm	Luncheon
1:00 pm	Annual Conference concludes

Saturday, June 3:

7:30 am – 9:30 am	Registration
8:00 am – 5:00 pm	Quality Management Conference
12:00 pm – 1:00 pm	Luncheon
4:30 pm	Certification Examination

Speakers and Presentations:

Thursday, June 1:

8:00 am - 8:45 am	Continental Breakfast – Visit Exhibits
9:00 am – 10:30 am	Keynote Presentation: <i>“Make the Choice: Creating Opportunity for Success”</i> Joel Zeff, Joel Zeff Creative
10:30 am – 11:00 am	Break - Visit Exhibits
11:00 am – 11:45 am	<i>“New Markets, New Strategies”</i> Moderator: Jeffrey Sulitzer, DMD, President & CEO, Atlantic Dental, Inc. Jackie Ford, Healthcare Options Provider Director, AARP/ASI Services Lowell Daun, DDS, Senior Vice President, Delta Dental of California
12:00 pm – 1:00 pm	Luncheon
1:00 pm – 1:30 pm	Visit Exhibits
1:30 pm – 3:00 pm	<i>“The Effects of Consumerism on Dental and Vision”</i> Cathye Smithwick, Principal and National Practice Leader, Mercer Health & Benefits

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3:00 pm – 3:45 pm	<p><i>“Voluntary and Discount Dental”</i> Moderator: Jeff Album, Director of Public Affairs, Delta Dental of California Julia Baker, Senior Vice President, Provider Relations, AmeriPlan USA Lowell Daun, DDS, Senior Vice President, Delta Dental of California Stewart Sweda, Chief Sales and Marketing Officer, Careington International Corporation Troy Szabo, Counsel, Department of Managed Health Care</p>
3:45 pm - 4:30 pm	Dessert with Exhibitors
7:00 pm	Fun Night: <i>“CADP Survivor!”</i>
Friday, June 2:	
7:30 am - 8:45 am	Continental Breakfast – Visit Exhibits
9:00 am – 9:45 am	<p><i>“Mergers and Acquisitions: Another Go-Round?”</i> Dale S. Miller, Stephan, Oringer, Richman, Theodora & Miller</p>
9:45 am – 10:30 am	<p><i>“Evidence-based Dentistry: How Can a Plan Use? Fact or Fiction?”</i> Wenyuan Shi, PhD, Professor and Chairman, Oral Biology, School of Dentistry, University of California, Los Angeles</p>
10:30 am – 11:00 am	Break - Visit Exhibits
11:00 am – 12:00 pm	<p><i>“Roundtable Discussion: California’s Regulatory Landscape”</i> Moderator: Steve Casey, President, California Dental Network Lew Chartrand, Chief Deputy Director, Department of Managed Health Care Mary Powers Antoine, Nosman, Guthner, Knox & Elliott, LLP Melissa Gee, Corporate Counsel, Delta Dental of California</p>
12:00 pm - 1:00 pm	Luncheon
1:00 pm	Annual Conference concludes

Quality Management Conference General Schedule

Friday, June 2:

8:00 am – 9:15 am	Introduction and History
9:15 am – 10:00 am	Case Study 1
10:00 am – 10:30 am	Visit Exhibits
10:30 am – 11:00 am	Case Study 1 (cont’d.)
11:00 am – 12:00 pm	Annual Conference presentation: California’s Regulatory Landscape
12:00 pm – 1:00 pm	Luncheon
1:30 – 5:00 pm	Proctored study hall – question and answer period Dinner on Own

Saturday, June 3:

7:30 am – 8:00 am	Continental Breakfast
8:00 am – 10:00 am	*Dental Practice Act Lecture
10:00 am – 12:00 pm	*Infection Control 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

* Newly required courses for license renewal





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Registration Information

REGISTRATION POLICIES

To qualify for advance registration fees, the CADP administrative office must receive registration form and payment by **Wednesday, May 17, 2006**. Registrations received after that date are subject to late registration fees. Only written cancellations received by May 17 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, MasterCard and American Express only. Checks should be made payable to CADP. If payment will be made by credit card, please complete the following information:

MC VISA American Express
 Credit Card Number _____ Exp. Date _____
 Name on Card _____
 Signature _____

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

REGISTRATION FEES

ANNUAL CONFERENCE - MAY 31-JUNE 2, 2006

Registration Fees:	By April 27	After April 27
CADP member - 1st registrant from company	\$625	\$725
CADP member - Additional registrant(s), same company	\$500	\$600
Non-CADP member	\$875	\$975
Non-affiliated spouse/guest (general sessions, luncheons)	\$200	\$225
Thursday evening event (spouse/guest)	\$115	\$135

QUALITY MANAGEMENT CONFERENCE - JUNE 2-3, 2006

Registration Fees:	By May 17	After May 17
CADP member	\$475	\$575
Non-CADP member	\$670	\$770
Thursday Fun Night (<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.*

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

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	\$ _____

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

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