



President's Report

by Troy Becker

On behalf of the CADP Board of Directors and Executive Director Jackie Miller, I would like to wish you, the membership, a happy and successful New Year! Our agenda for 2001 is a full one, and we'll share this during the business meeting on January 30. As always, we'll be looking for your input. We'll also report the results of the member survey the Board has been conducting during December and early January. Board members look on this as an opportunity for direct input; I encourage you to share not only what we're doing right as an Association but also where we can improve what we do.

As always, I look forward to seeing you at the Legislative Conference - send your registration today!

Dots and Dashes

by D.E. FitzGerald, DDS,
Chair, Quality Assurance Committee

The end of the year always presents an opportunity for reflection. In preparing for this column, I took a look at what I wrote a year ago, as well as reflected on what I have been doing recently for my company as Dental Director.

In the past eight weeks I have found myself:

- Helping HIAA to take a position against the ADA resolution that would require specific state licensure to deny or change codes on any dental claim

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Visit CADP's website:
www.caldentalplans.org

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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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DENTAL PLANS**

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Legislative Conference Update

CALIFORNIA ASSOCIATION OF DENTAL PLANS
 11th Annual Legislative Conference
 January 30-31, 2001
 Hyatt Regency at Capitol Park
 Sacramento, California

"NEW SESSION, NEW ISSUES"
 Tentative Program

TUESDAY, JANUARY 30, 2001:

10:30 am Quality Assurance Committee meeting/
 continental breakfast

12:00 pm Board of Directors' meeting/luncheon

3:00-5:30 pm Registration

4:00 pm Welcome by Troy Becker, President

4:05-5:00 pm CADP business meeting (dental plan
 members only)

6:30 pm Reception and Dinner
 Keynote Speaker: The Honorable
 Robert Hertzberg, Speaker, California
 State Assembly (invited)

WEDNESDAY, JANUARY 31, 2001:

7:00 am Registration

7:30 am Continental Breakfast

8:00 am Remarks by Program Chair

8:15-9:00 am Lobbyist Roundtable: "Issues in 2001"
 Moderator: Jo-Linda Thompson,
 Nossaman, Guthner, Knox & Elliott
 Cynthia Laubacher, Wilke, Fleury,
 Hoffelt, Gould & Birney
 Jeff Shelton, Health Net
 Bob Scarlett, WellPoint/Blue Cross

9:00-9:45 am

"HIPAA Update: Be Prepared!"

Kathy McCaffrey, Vice President,
 Health Care Data and Operations,
 California Association of Health Plans

9:45-10:30 am

"CDA Initiatives and Issues for 2001:
 The Provider Perspective"

Timothy Comstock, Executive Director,
 California Dental Association

10:30-10:45 am

Break

10:45-11:30 am

"Department of Managed Health Care—
 Six-Month Update"

Herb Schultz, Deputy Director for
 External Affairs
 Joy Higa, Assistant Director, Plan and
 Provider Relations

11:30 am - 12:15 pm

Public Relations Initiative:
 "Dental Works!"

Stoorza Communications:
 Jeff Randle, Executive Vice President &
 General Manager Mitch Zak, Director of
 Communications Bill Bradley, Senior
 Account Executive

12:30-1:45 pm

Luncheon

Guest Speaker: The Honorable Helen
 Thomson, Chair, Assembly Health
 Committee (invited)

1:45 pm

Closing remarks

2:00 pm

Conference adjourns

Program subject to change

Reminder!!!

Legislative Conference

January 30-31, 2001

Hyatt Regency at Capitol Park, Sacramento



Make reservations now for CADP's 11th Annual Legislative Conference. Registration forms can be downloaded from our website: www.caldentalplans.org. Conference brochures can also be downloaded or requested from the CADP administrative office; (916) 446-3122.

And remember - hotel reservations must be made by January 6 in order to guarantee CADP's special rate of \$189. To reserve your room, call (916) 443-1234, and request the CADP rate. Room availability at the Hyatt is at a premium at this time of year, and last year's block sold out. RESERVE EARLY!

CALIFORNIA ASSOCIATION OF DENTAL PLANS
Eleventh Annual Legislative Conference

January 30-31, 2001 • Sacramento, CA

ADVANCE REGISTRATION FORM

Please complete one form for each participant.

Name _____

Title _____

Organization _____

Address _____

City/State/Zip _____

Phone _____ FAX _____

REGISTRATION FEES

- | | |
|--|---------|
| <input type="checkbox"/> CADP member registrant | \$300 |
| <input type="checkbox"/> CADP member - additional registrant(s) same company | 200 |
| <input type="checkbox"/> AMCD member registrant | 300 |
| <input type="checkbox"/> Non-CADP member registrant | 400 |
| Total amount enclosed | \$_____ |

For office use only

Amt. paid _____
Amt. due _____
Fwd date _____
Reg date _____
Update _____

REGISTRATION DEADLINE

Conference registration must be made by mail by January 23, 2001. A \$50 surcharge will be added for registrations received after that date.

PAYMENT INFORMATION

Make check payable to CADP and mail with registration form to:
California Association of Dental Plans, One Capitol Mall, Suite 320, Sacramento, CA 95814-3228

CANCELLATION POLICY

Only written cancellations received by January 23, 2001, will receive refunds (less a \$50 processing fee). No refunds will be made after January 23, 2001.

QUESTIONS?? CALL CADP 916/446-3122

Legislative Update

▶ **Labor Law Changes in 2001**—*Excerpted from the December 1 issue of Alert, published by the California Chamber of Commerce.*

California employers will face numerous changes in state labor laws on January 1, 2001. The following is a synopsis of major changes.

Minimum Wage—Beginning January 1, the state minimum wage will increase from \$5.75 to \$6.25 per hour, to be followed by an increase to \$6.75 per hour beginning January 1, 2002. The phase-in was a compromise recognizing employer concerns over the potential impact of a sudden large increase.

Disability Discrimination—AB 2222 (Kuehl) expands the definition of physical and mental disability and removes California from conformity with the federal Americans with Disabilities Act (ADA). Under AB 2222, a physical or mental disability under the state Fair Employment and Housing Act (FEHA) includes one that simply limits a major life activity.

Sexual Harassment Liability—AB 1856 (Kuehl) says a non-supervisory employee can be held personally liable for prohibited sexual harassment regardless of whether the employer knows about his/her actions. The bill overturns existing California case law, which provided that a non-supervisory employee who sexually harassed a co-worker could not be held personally liable under FEHA. One likely result of this bill for California employers is higher litigation costs. An employer may be required to indemnify an employee for such litigation costs.

Domestic Violence—AB 2357 (Honda) prohibits employers with 25 or more employees from discharging or discriminating against a domestic violence victim who takes time off from work to seek medical attention for resulting injuries; to obtain social services, including psychological counseling and domestic violence services; or to participate in safety planning, including temporary or permanent relocation.

Computer Professionals—As a result of passage of SB 88 (Sher), highly skilled computer professionals now can be considered exempt from overtime if certain requirements are met. Under the federal Fair Labor and Stan-

dards Act (FLSA), such workers already were exempt. California now will follow the same basic standards.

Independent Contractors—Beginning January 1, 2001, any business or government entity that is required to file a federal Form 1099-MISC for services performed by an independent contractor also must comply with the new state independent contractor reporting requirements under SB 541 (Burton). Companies must report to the Employment Development Department (EDD), using Form DE 542, within 20 days of either making payments totaling \$600 or more or entering into a contract for \$600 or more with an independent contractor in any calendar year, whichever is earlier. Employers who hire independent contractors and don't file a report within 20 days may be fined \$24 to \$490.

Personnel Files—SB 1327 (Escutia) provides that every employee, with limited exceptions, will have access to their personnel records. Current law allows private employers and certain limited public employers access to personnel records. The law deletes most existing exemptions for state and local public employers from having to provide access to personnel files.

▶ **2001 Legislature Convenes**—The California State Legislature convened its 2001-2002 Legislative Session on Monday, December 4. After swearing in new and returning members, passing housekeeping resolutions and introducing bills, both houses adjourned until January 3, when its real work begins. Both Senate President pro Tem John Burton (D-San Francisco) and Assembly Speaker Robert Hertzberg (D-Van Nuys) were re-elected to their leadership posts; Assembly Member Robert Keeley (D-Boulder Creek) was re-elected as Speaker pro Tem. The Senate minority leader continues to be Jim Brulte (R-Cucamonga), although there is speculation that he may take a post in the Bush administration.

The Senate also announced its Rules Committee membership: Senator Burton, Chair; and Senators Betty Karnette (D-Long Beach), Ross Johnson (R-Irvine), William "Pete" Knight (R-Palmdale), and Ed Vincent

(D-Inglewood). The Rules Committee is a powerful one, in that it makes committee appointments and refers all legislation. As of this writing, the Rules Committee had not finalized Senate committee assignments. However, likely committee chairs include Senators Liz Figueroa (D-Fremont), Business and Professions; Jackie Speier (D-Hillsborough), Insurance; Dede Alpert (D-Coronado), Appropriations; Martha Escutia (D-Montebello), Judiciary; and Steve Peace (D-El Cajon), Budget and Fiscal Review.

The Assembly has announced its committee chairs. They include: Dennis Cardoza (D-Merced), Rules; Tom Calderon (D-Montebello), Insurance; Helen Thomson (D-Davis), Health; Darrell Steinberg (D-Sacramento), Judiciary; Lou Correa (D-Anaheim), Business and Professions; Tony Cardenas (D-Sylmar), Budget; Carol Migden (D-San Francisco), Appropriations.

▶ **Democrats Gain Seats in Senate and Assembly**—Democrats strengthened their grip on the Legislature as a result of the November 7 election. In the upper house, Democrats gained two seats in the 40-member chamber. Senate Democrats now number 25, two short of a 2/3 majority; however, they will likely gain another seat soon, as a special election to fill the seat of former Democratic Senator Hilda Solis (elected to Congress) is likely to be won by another Democrat. The Assembly gained four seats, bringing their numbers to 50 in that 80-member body. There is currently one Republican vacancy in the Assembly; Jan Leja, who had won in the 65th Assembly District, did not take office.

▶ **Assembly Republicans Elect Campbell as Minority Leader**—Assembly Republicans have elected conservative Bill Campbell of Orange County as their new Minority Leader, replacing termed-out Scott Baugh, also of Orange County. Reduced to 30 members in the Assembly, Republicans can still block measures that require a 2/3 vote, such as the state budget. According to Campbell, political issues on which Republicans will focus are reapportionment, the once-a-decade event that reshapes legislative districts, health care and education.

In the News

▶ **US Labor Dept. Issues New Rules Regulating Employer Health Plans**— The US Labor Department recently issued new rules regulating the benefit claims procedures in employer-sponsored (ERISA) health plans, which could make health care more expensive for businesses to provide for their employees. The new regulations take effect January 2002 and prohibit employers from including provisions for mandatory binding arbitration of adverse benefit determinations. The new rules also speed the processing of initial claims and the appeals process of denied claims. The regulations require plans to process claims within 30 days and to rule on appeals within 60 days. In cases of “urgent care” claims, the regulations require the plan to notify the claimant of the plan’s benefit determination within 72 hours.

▶ **Proposed HIAA/AAHP Merger Fails**— The proposed merger between the Health Insurance Association of America and American Association of Health Plans has failed. HIAA officials told members of the failed merger in a letter, indicating that the two associations could not find sufficient common ground to justify moving forward. Apparently, smaller insurance companies without managed care interests disapproved of the merger, concerned that they would lose their voice in a larger organization.

▶ **State Auditor Critical of Dept. of Consumer Affairs, Dental Board of California**— A November report issued by the California State Auditor is critical of the Department of Consumer Affairs, which oversees 35 boards and bureaus responsible for regulating businesses and certain professions. The review found that the department has not fulfilled its oversight responsibility over its boards and bureaus, allowing weaknesses in licensing and complaint processing to continue undetected.

The auditor also reviewed in depth four boards and bureaus, including the Dental Board of California. The report concluded that the Dental Board has not developed monitoring systems to ensure that it processes consumer complaints quickly and has not always ensured that its licensing and complaint processes adequately protect consumer interests. It further indicated that the Board does not adequately track complaints and, as a result, spends excessive amounts of time (400 days on average) to investigate them. The report was also critical of the time it takes to resolve mediation cases, about six months but up to a year in more complicated ones, which, according to the auditor, should be resolved within 30-60 days. The Board concurred with the auditor’s findings, reporting that it was instituting processes designed to improve the deficiencies.

▶ **California to Keep Most Federal Funding for Healthy Families**— As a result of successful budget negotiations, the new federal budget will allow California to keep about 60 percent, or \$350 million, of its unspent funds for the Healthy Families program. California had been scheduled to lose its unspent allotment because it missed a September deadline for spending the funds. Healthy Families provides health, dental and vision coverage to approximately 340,000 children in the state. Dental plans participating in Healthy Families include Access Dental Plan, Premiere Access, Delta Dental Plan of California, and DentiCare of California.

▶ **Software Technologies Changes Name**— Software Technologies Corp. has changed its name to SeeBeyond. Dale Baguhn, DDS, MBA, is SeeBeyond’s Managing Director for Managed Healthcare Applications.

CADP Board of Directors

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D.E. FitzGerald, DDS
(dental director representative)
WellPoint Dental Services

Sam Gruenbaum
Western Dental Services

Len Matuszak
United Concordia Dental Plans of
California



Western’s Sam Gruenbaum Newest Board Member

Sam Gruenbaum, CEO of Western Dental Services, has been appointed to CADP’s Board of Directors. He replaces Jeff Sulitzer, DMD, who resigned from the board when he relocated to the East Coast. His term expires in 2002.

Dots and Dashes - continued from page 1

- Helping HIAA to establish a position challenging ADA copyright authority on CDT codes that would eliminate consensus code-establishment and dramatically increase the cost to insurance companies who use the codes
- Providing public comment to a Department of Managed Health Care subcommittee, reminding members that Dental was judged Different when California legislation set requirements for external medical review
- Working with a national EDI group that was concerned with Massachusetts' claims-submission form requirements
- Working with company consultants assessing HIPAA requirements for dental
- Revising the CADP auditor training course to keep it current for the February course in Los Angeles
- Defending a challenge for termination of a PPO contract and presenting a case for 805 reporting on another, as yet uncontested, termination

- Asked to render an opinion on the impact of President Clinton's signing of "Privacy" legislation

Have we redefined "Quality Assurance?"

When I wrote this column last year I opined:

"(The) (i)mpact of legislation on dental directors in particular and plans in general occupied the remainder of the (September 1999) meeting. The strength of the (Quality Assurance) Committee lies in the energy and commitment of all the Committee members. The year 2000 promises to be full of significant change."

Little did I know how prophetic that statement would be. Association dental directors find their challenge, their tasks and their skill-sets far different from what was envisioned as necessary for a plan dental director even five years ago. Our companies now depend upon us to be in front of legislation, regulatory compliance and quality assessment. We can only do that as a unified group.

Happy New Year!

STRADLING, YOCCA, CARLSON & RAUTH *Attorneys at Law*

- Corporate/Securities
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- Labor/Employment Law
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Questions about our firm may be addressed to

Robert J. Kane (Labor) at (949) 725-4127

Michael Zablocki (Managed Care) at (949) 725-4146

660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660
(949) 725-4000

Campaign Contributors Face New Limits with Passage of Proposition 34

California voters overwhelmingly approved Proposition 34, the campaign finance reform initiative that repeals most of Proposition 208, on November 7. Proposition 34, which takes effect on January 1, 2001, is a comprehensive set of contribution and voluntary expenditure limits for state candidates and political action committees (PACs), as well as new disclosure requirements for candidates and committees. It does not change most current campaign reporting laws. Companies that make political contributions or major donors need to be aware of the details of Proposition 34.

For statewide candidates (i.e., Governor, Lt. Governor, Secretary of State, Treasurer, Controller, Attorney General, Insurance Commissioner, Superintendent of Public Instruction, Board of Equalization members), these provisions will not apply until after the November 2002 general election cycle. While there is speculation that some of the provisions could be challenged in court, at this point Proposition 34 limits contributions to candidates for the state Legislature to \$3,000 in the primary and \$3,000 in the general election; \$5,000 for statewide candidates; and \$20,000 for Governor. "Small Contributor Committees" have higher contribution limits, while Proposition 34 imposes no limits on PACs which receive contributions for purposes other than supporting legislative and statewide candidates as well as those which make independent expenditures. Under the provisions of Proposition 34, political parties will be much more influential, as those entities also have no contribution limits.

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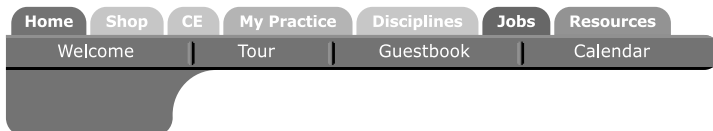
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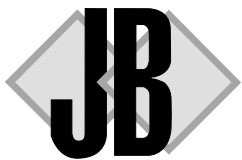
For more information, please contact:
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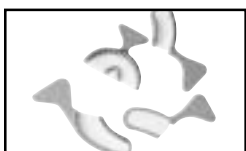
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