



President's Report

by Susan Klarner

► The new year is off to a rather eventful start! As I prepare for CADP's upcoming annual meeting on May 7-10 in Monterey, it occurs to me how timely and appropriate the theme for the meeting is – "Change Agility: The New Paradigm". In my career, I have learned that change is good. There were times it may not have seemed that way (at first), but the reality has (so far) played out nicely.

What is clear to me is that this is a time full of change – acquisitions, strategies used to run our companies, product design and mix, legislative and regulatory, reorganization, technology, and cultural. The real key to success is to ensure that the change strengthens our business as opposed to weakening it. Fortunately, there are many effective ways to prevent the weakening, so I look forward to participation in this year's Annual Conference to gain new insight and tools for managing the events of change.

We know that most people are energized by new beginnings. This is playing out for us now because as an association, our collaborative efforts have been stronger than ever, particularly concerning legislative and regulatory issues. The CADP Board of Directors has focused efforts to address some of the challenges for 2003-2004. It is particularly important to recognize the efforts of CADP Board members to obtain financial support for the annual

conference not only from CADP member plans and associate members, but also from various organizations that support the business efforts of our member plans. It is also necessary to recognize the member plans that so generously support the annual meeting through attendance and overall conference support. We appreciate your generosity!

The CADP Board appreciates the strong support that you have voiced regarding our continued legislative and lobbying activities, and we appreciate your recognition in the value of these services. In the highly regulated environment in California, we should expect and plan for increased requirements of these continuous activities.

It is ironic that the legislative and regulatory environment in California, along with changing market forces, has spurred the energized and involved CADP membership we have today. We welcome your involvement on all levels of our activities and always appreciate your feedback.

I look forward to seeing you in Monterey!

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

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Dots and Dashes

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

Events of concern to the plans were discussed in depth at the March 18 CADP Quality Management Committee meeting. They included:

- The recent successful auditor training course
- Change in leadership at the DMHC
- The Technical Assistance Guide and the medical survey process
- Impact of legislation and California budget constraints
- Liaison with CDA, AAP, AAO, AADC
- Second opinion data gathering
- Inter-rater reliability

Since there has been little time for change since that meeting, and since most questions asked represent interest from many who did not ask the question, I thought I would pass on a response to two questions posed to me by another Dental Director.

1. "What do you do about offices that refuse to obtain the basic emergency drug kit, especially those outside of California?"

My opinion may differ from other Dental Directors but I consider the emergency drug kit as one of twofold concern to the plan. Are our members sufficiently protected when they receive care from our providers? What is the likelihood of plan liability if an untoward incident resulted in injury complicated by inadequate drug access or emergency training?

I believe the process of education as to the need and components of emergency care essentially relieves the plan from liability. For our DHMO business we use a self-assessment tool and provider training to educate. For out-of-state offices, we request this information through the contracting process. A provider could intentionally or unintentionally distort their

compliance with our standards.

I believe our members are best protected by evaluation of licensure status. While many states require emergency training (CPR) for license renewal, I am unaware of any state requiring a basic kit as a condition of licensure.

A recent ADA article established recommendations for a basic kit and CADP presents that as a guideline for site office review in its Auditor Certification course.

2. "If you use an attestation in the credentialing process, what is your position when a provider repeatedly submits an "inaccurate attestation"? The issue usually involves a question concerning lawsuit/settlement history. They mark "no" but the history indicates otherwise.

Do you view an attestation to be a legal oath with grounds for termination if conflicting information is submitted?

How do you handle the offices that tell you their manager filled it out and signed for them?"

Our plan uses a Credentialing Committee to credential providers as well as on-cycle and off-cycle credentialing. A "repeated inaccurate attestation" would be presented to the Committee for attention and consequence determination. Recalcitrant opposition by a provider would likely result in termination or non-acceptance into the panel. The attestation is certainly a legal document. I defer to a lawyer to see if it fits the criteria of an "oath". I would feel uncomfortable if I knew someone other than the named signed the document on his or her behalf. On the other hand I likely would have no way to know every event when this might have happened. Again, the consequence would be handled through our Credentialing Committee.

Legislative Update

Jackie Miller, Executive Director

This is one of the most challenging years that those of us involved in the political process in Sacramento can recall. Between the budget proposals that would eliminate adult dental services as a Medi-Cal benefit, reduce provider rates, add sales tax to all types of services, including physician and dentist services, and onerous legislative proposals, advocates are in perpetual motion. And it's only April!

Budget proposals will start getting serious when the "May Revise" is released. This is a budget update based upon more accurate economic and revenue information than that of the proposed budget, which is released in January. However, indicators point to a picture that isn't pretty. Because of the budget situation, 18 optional benefits, including adult dental, have been slated for elimination. CADP and other advocates for retaining adult dental care continue to work with budget staff to achieve significant savings without eliminating this critical program.

In addition, thousands of measures

were introduced prior to the bill deadline. The following is a sampling of legislation CADP is following on behalf of its members.

SB 580 (Senate Insurance Committee), a reintroduction of SB 686 from 2001-2002, is on a fast track. Although SB 686, which would more fairly assess specialized plans, was signed by the Governor, its provisions were negated due to a signing error. At this writing, it's scheduled to be voted on by the full Senate after passage by the Senate Insurance and Appropriations committees. Following Senate action, it must go through the same process in the Assembly. The bill contains an urgency clause, meaning that it will go into effect immediately upon the Governor's signature. This is important because we want to ensure that the new assessment schedule is effective this year. CADP is one of four organizations supporting this bill; there's no opposition.

As if "pay or play" (SB 2 - Burton) and single payer (SB 921 - Kuehl) legislation

weren't enough, legislation has been introduced which would require DMHC or Department of Insurance approval of health plan and insurance rate increases, including premium, copayment, coinsurance obligation, deductible and other charges under a plan or policy. The measure, SB 26 (Figueroa), is sponsored by the Foundation for Taxpayer and Consumer Rights and AARP; Senate President pro Temp John Burton is a co-author. The bill is scheduled to be heard in the Senate Insurance Committee on May 7.

Other legislation would increase requirements for culturally and linguistically appropriate services (AB 154 - Chan), prohibit the use of children as interpreters (AB 292 - Yee), require that dentists have a state-of-the-art amalgam separator installed in their offices (AB 611 - Negrete McLeod), integrate the Healthy Families (currently structured as a commercial product) and Medi-Cal programs into one public Integrated Child and Youth Health Program (AB 1092 - Bermudez), expand Medi-Cal managed care in certain counties where there is currently not such an option (AB 1359 - McCarthy), require that health plans require plan providers to allow enrollees to elect to receive alternatives to mercury-based fillings (AB 999 - Horton), and specify requirements for payment of a provider claim by a health plan or health insurance policy when it is a secondary payer under a coordination of benefits provision (AB 434 - Kehoe).

Jo-Linda Thompson, CADP's legislative advocate, will provide a detailed report during the May Annual Conference.

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- Corporate/Securities
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Annual Conference Update

CADP's 14th Annual Conference program includes excellent speakers, timely program content, and networking opportunities. Register now to attend! Remember - late registration fees apply after April 23. The Quality Management Conference program follows the Annual Conference schedule. A complete conference brochure can be downloaded from the CADP website - www.caldentalplans.org. See you in Monterey!

**California Association of Dental Plans
14th Annual Conference
May 7-10, 2003
Monterey Plaza Hotel & Spa, Monterey, CA
Program Co-Chairs: John Gaebel, DDS; Ronald Inge, DDS
"Change Agility: The New Paradigm"**

General Schedule

Wednesday, May 7:

2:30 pm - 5:00 pm Registration (Cypress Foyer)
2:30 pm - 5:00 pm Exhibit set-up (Monterey Bay)
3:00 pm - 5:00 pm Annual Meeting (Pt. Lobos)
5:00 pm - 6:00 pm Welcome Reception (Upper Plaza)
6:30 pm Board of Directors' Meeting (John Steinbeck)

Thursday, May 8:

7:00 am - 5:00 pm Registration (Cypress Foyer)
8:00 am - 8:45 am Continental Breakfast - Visit Exhibits (Monterey Bay)
8:00 am - 4:45 pm Exhibits Open (Monterey Bay)
9:00 am - 4:45 pm Annual Conference (Cypress)
7:00 pm - 10:00 pm An Evening at the Monterey Bay Aquarium

Friday, May 9:

7:00 am - 5:00 pm Registration (Cypress Foyer)
7:30 am - 8:45 am Continental Breakfast - Visit Exhibits (Monterey Bay)
7:30 am - 2:00 pm Exhibits Open (Monterey Bay)
8:00 am - 4:15 pm Quality Management Conference (Carmel)
9:00 am - 4:15 pm Annual Conference (Cypress)

Saturday, May 10:

8:00 am - 5:00 pm Quality Management Conference (Cypress)
8:30 am Board of Directors' meeting (John Steinbeck)

Speakers and Presentations

Thursday, May 8: Morning Session

9:00 am - 9:45 am Keynote Presentation: *"A Strategy for Personal Survival and Corporate Success"*
Edward O'Neil, PhD, MPA, Director, Center for the Health Professions, University of California, San Francisco
9:45 am - 10:30 am *"The Perspective of Organized Dentistry: Are 20th Century Dental Plans Relevant to a 21st Century Dentist?"*
Peter Dubois, Executive Director, California Dental Association
10:30 am - 11:00 am Visit Exhibits (Monterey Bay)
11:00 am - 12:00 pm *"Providers – Our Most Important Customers"*
Joan Cihak, MHA, Vice President, The HSM Group
12:15 pm - 1:15 pm Luncheon (Dolphins)

Thursday May 8: Afternoon Session

- 1:30 pm - 2:15 pm *"Legislative Update: What You Don't Know Can Hurt You!"*
Jo-Linda Thompson, Nossaman, Guthner, Knox & Elliott
- 2:15 pm - 3:00 pm *"Change Agility: The Key to Business Success and Personal Survival"*
Mark Guterman, President, G&G Associates
- 3:00 pm - 4:00 pm Dessert with Exhibitors (Monterey Bay)
- 7:00 pm *"An Evening at the Monterey Bay Aquarium"*

Friday, May 9: Morning Session

- 9:00 am - 9:45 am *"Meeting Tomorrow's Challenges Today"*
Gary Radine, CEO, Delta Dental Plan of California
- 9:45 am - 10:30 am *"How Mules Become Thoroughbreds: Kick-Start Your Growth"*
Steve McKee, Principal, McKee Wallwork Henderson
- 10:30 am - 11:00 am Visit Exhibits (Monterey Bay)

- 11:00 am - 11:45 am *"E-Commerce Hits Home: The Impact on Your Plan"*
Alexander (Sander) Domaszewicz, Mercer Human Resource Consulting

- 12:00 pm - 1:00 pm Luncheon (Dolphins)
- 1:00 pm - 2:00 pm Dessert with Exhibitors (Monterey Bay)

Friday, May 9: Afternoon Session: Joint Symposium (Cypress)

- 2:00 pm - 2:45 pm *"Judicial and Legal Developments: What You Need to Know"*
Dale Bonner, Epstein, Becker & Green
- 2:45 pm - 4:15 pm *"Regulatory Update: More Than You Want to Know"*
Mary Powers Antoine, Nossaman, Guthner, Knox & Elliott LLP
Michael Polis, Wilke, Fleury, Hoffelt, Gould & Birney
Gail D. Schubert, K&R Law Group LLP
Lyle Swallow, Blue Shield of California
- 6:00 pm Friday Evening Reception (Upper Plaza)

Tenth Annual Quality Management Conference

May 9-10, 2003

Program Chair: D.E. FitzGerald, DDS

Friday, May 9:

- 7:00 am - 5:00 pm Registration (Cypress Foyer)
- 7:30 am - 8:45 am Continental Breakfast - Visit Exhibits (Monterey Bay)
- 7:30 am - 2:00 pm Exhibits (Monterey Bay)
- 8:00 am - 4:15 pm Quality Management Conference (Carmel)
- 9:00 am - 4:15 pm Annual Conference (Cypress)
- 12:00 pm - 1:00 pm Luncheon (Dolphins)
- 1:00 pm - 2:00 pm Dessert with Exhibitors (Monterey Bay)

- 2:00 pm - 4:15 pm Annual Conference/Quality Management Conference Joint Symposium (Cypress)
- 6:00 pm Friday Evening Reception (Upper Plaza)

- Friday Program: Co-Presenters:
D.E. FitzGerald, DDS, National Dental Director, WellPoint Dental Services
Charles Stewart, DMD, Manager, Quality Assurance, WellPoint Dental Services;

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Ivan Berger, DDS, Vice President,
Quality Management, Health Net
Dental & Vision

Karen Feldman, DDS, Dental Director,
Golden West Dental & Vision Plan

8:00 am - 9:45 am *Introduction and History*

9:45 am - 10:30 am *Facility Lecture*

10:30 am - 11:00 am Break - Visit Exhibits (Monterey Bay)

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

12:00 pm - 1:00 pm Luncheon (Dolphins)

1:00 pm - 2:00 pm Dessert with Exhibitors (Monterey Bay)

2:00 pm - 4:15 pm Joint Symposium (Cypress)

2:00 pm - 2:45 pm *"Judicial and Legal Developments: What You
Need to Know"*

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Guthner, Knox & Elliott

Michael Polis, Wilke, Fleury, Hoffelt,
Gould & Birney

Gail D. Schubert, K&R Law Group

Lyle Swallow, Blue Shield of California

6:00 pm Friday Evening Reception (Upper Plaza)

Saturday, May 10:

7:30 am - 10:00 am Registration (Fairway)

7:30 am - 8:00 am Continental Breakfast (Steinbeck Foyer)

8:00 am - 5:00 pm Quality Management Conference
(Carmel)

12:00 pm - 1:00 pm Luncheon (Cypress 3 & 4)

4:30 pm Credentialing Examination

Saturday Program:

8:00 am - 9:30 am "HIPAA Update"

Christine Ruiz, Director of Business
Development, Trojan Professional
Services, Inc.

9:30 am - 11:45 am *Facility Case Studies 2, 3 and 4; Study Time,
Computer Entry*

12:00 pm Luncheon (Cypress 3 & 4)

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*

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In the News . . .

▶ **SafeGuard Announces Purchase of Health Net Dental**— SafeGuard Health Enterprises, Inc., has announced a strategic relationship with Health Net, which includes the sale of the Health Net Dental subsidiary to SafeGuard. In addition, the company will acquire Health Net's vision subsidiary and its California commercial membership. The Health Net Dental and Vision brand will be retained by Health Net, Inc., which will continue to market dental products sold by Health Net medical sales representatives. The dental products will be underwritten and administered by SafeGuard. Closing is expected in the fourth quarter of 2003, subject to regulatory approval.

▶ **California Workers' Comp Premiums Highest in Nation**— According to the California Chamber of Commerce, workers' compensation premium rates in California have increased since 1994, and now lead the nation. States bordering on California rank lower on the state-by-state comparison of average filed workers' compensation rates compiled by the Oregon Department of Consumer and Business Services. While California topped the list, Nevada ranked 10th, Oregon ranked 35th and Arizona ranked 46th. In addition to California and Nevada, other states in the top ten included Florida, Hawaii, Delaware, Rhode Island, Texas, Louisiana, New York, and Montana.

▶ **Dr. Allen Conan Davis Appointed CMS Chief Dental Officer**— Dr. Allen Conan Davis, a veteran public health official from Alabama, has been appointed chief dental officer for the Centers for Medicare & Medicaid Services (CMS). Dr. Davis will serve as an advisor to the director of the CMS Coverage and

Analysis Group on the development, evaluation, and implementation of dental aspects of Medicare coverage issues and policies. He also will serve as a program consultant to CMS Administrator Tom Scully and other CMS leaders on oral health issues critical to a comprehensive view of prevention, screening, and early treatment as they relate to the Medicaid and State Children's Health Insurance Programs (Healthy Families in California). Dr. Davis previously served as an ADA Congressional Legislative Fellow in the office of Senator Tim Hutchinson (R-AR) and was assigned to the staff of the Health, Education, Labor and Pensions Committee subcommittee on aging. He was Alabama's state dental director from 1988-1999 and deputy director of the Bureau of Family Health Services from 1995-1999. Previously, he served as Alabama Dental Program director, and director of the Mobile County Health Department Dental Clinic. From 1978-1985 he was in private dental practice in Mobile.

▶ **Employer Backlash Over Higher Premiums Predicted**— A survey of healthcare and managed care executives conducted by Managed Care Information reveals that health plans and employees should prepare themselves for an employer backlash against the double-digit premium increase they've experienced in 2003. Nearly 87 percent of those responding said they believed there would be, or there already is such a backlash, and most believe it will take the form of increased cost sharing for employees.

▶ **Davis Recall Petition Certified**— Secretary of State Kevin Shelley has certified for circulation the recall petition filed against Governor Gray Davis. Under California law, proponents of a recall for statewide office have 160 calendar days to collect 897,158 signatures from registered voters. This equals eight percent of the votes cast in the last gubernatorial election.



Welcome New Members!

American Dental Alliance (Associate)

CreDENTALS Services, Inc. (Associate)

John Grill, DDS (Individual)

Sandra Tadlock (Individual)

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