



President's Report

by Susan Klarner

► On behalf of CADP's Board of Directors, it is my pleasure to acknowledge our appreciation for your participation and support of our Annual Conference held recently in Monterey. Drs. John Gaebel and Ron Inge, along with our Executive Director Jackie Miller, facilitated one of the most exciting and stimulating programs ever. This meeting and the issues raised during conversations and in sessions served as the catalyst for the CADP Board's annual strategic planning session. The obstacles facing our industry are too numerous to be able to address in total, so our efforts over the next year will be focused on those issues that bring the greatest amount of value for the overall membership of the association. I am also very pleased to announce that at our May Board Meeting, Jeff Album of Delta Dental was selected to serve as Vice President and Len Matuszak of United Concordia was selected to serve as Secretary-Treasurer.

As a follow-up to discussions at the May Board meetings, Jeff Album, Jackie Miller and myself met with Cindy Ehnes (the recently appointed Deputy Director of the DMHC) and Pat Sturdevant (staff counsel) in Sacramento. The purpose of this meeting was to offer our expertise and operational knowledge of the dental benefits industry. We shared the results of the member survey (summarizing briefly the plans' overall experience with the De-

partment); we offered to commission and facilitate an educational briefing on the dental benefits industry; and we specifically discussed why "dental is different." We voiced our concerns that the DMHC uses the "full-service" model when developing regulations, and the significant impact this has to our operational costs. Lastly, we shared a few specific plan experiences that included some inconsistencies in approvals, and decisions that may have prevented access to dental care for some underserved populations. The DMHC then requested that we provide specific and detailed Plan experiences relating to this very issue. The overall receptivity was extremely positive and we are so pleased that the new staff of the DMHC is continuing the collaborative spirit that we as an association have worked on for the past couple of years.

We recently advised the membership that the Department has announced that it will develop requirements for a core set of dental plan benefits. In turn we specifically requested that CADP be consulted and included in the development of these standards. As previously advised, we anticipate that this effort will also include the development of a common set of Limitations and Exclusions (L&Es), and Drs. John Gaebel and Ron Inge are leading an effort to collect data from member plans relative to the L&E's that each of our plans utilize. Our timeline on this part of

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News

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

"Your Name Could Be Here." We probably have all seen that notice on a billboard or bus stop bench. The reason is, it works as an attraction. It starts the mind working. "Do I WANT my name there?"

You probably have figured out by now that it could be YOUR name as by-line for the Dots and Dashes (or whatever name you choose for a column). After 12 years as representative Dental Director elected representative (DER), it's time for new blood. My term ends in May 2004, and the Board is hopeful that my successor will be elected at the Annual Conference in Indian Wells. Some items that might encourage you and your company to consider your involvement:

- It is a high profile position both inside and outside the industry. The DMHC considers the DER to be the QA spokesperson for all plans in the audit and filing process. Future opportunities will involve providing clinical rationale for E&Ls, among other issues. After meeting, CDA signed on to the consensus audit tool, understanding the authority of the DER to speak for plans on QA issues.
- The Auditor Calibration and Certification course, which rested on the shoulders of the DER, is now an ongoing venture, gaining value and prestige with each course.
- The role as program chair for the annual Quality Management Conference has similarly been reduced as a time commitment.
- Subcommittee involvement in the QMC meetings has lessened the need for the DER to attend such functions as Dental Board meetings. Rotation

of meeting sites has reduced the company expense of those meetings.

All in all, this is a good time to think through your schedule and let your interest be known. This will be an agenda item for the September 16 Quality Management Committee meeting.

With no QMC meeting since the last *Dots and Dashes*, I thought I would fill space with an update on the ADA Coding Revision Committee. The 44 Batch 1 codes discussed and voted on in March resulted in literally no change to CDT-5 (although the topic of modifier codes remains alive and well). Voting members, interested parties and specialty organizations have discussed 53 Batch 2 codes on several levels. The level of preparation for the August vote is unprecedented. In September I will be able to report on what codes present challenges to the plans. The ADA is attempting to resurrect SnoDent codes as an alternative to modifiers. This has raised considerable interest from voting members.

Finally, although I am sure the topic is covered elsewhere in this issue, your CADP Board is embarking upon a collaborative effort with the DMHC to define core E&Ls. Recent dialogue with the Department leads the Board to cautious optimism that relations will improve from what was revealed at the January Legislative and Regulatory Conference.

Regulatory Update

Jackie Miller, Executive Director

The following is an update of recent regulatory activities, both by CADP and DMHC.

Introductory Meeting with Cindy Ehnes— On June 25, President Susan Klarnar, Vice President Jeff Album and I met with Cindy Ehnes, DMHC Deputy Director, Plan and Provider Relations. Also attending from DMHC was Pat Sturdevant, staff counsel. The intent was to introduce Ms. Ehnes to CADP leadership, discuss the recent CADP survey relative to the DMHC, and to propose an educational briefing regarding California's dental marketplace.

We brought up dental plan concerns relative to recent DMHC actions, in which it rejected several new plan offerings, noting our belief that there is a misunderstanding regarding the true benefit to the current uninsured population and expressing concerns that such actions have an impact on access to care. Ms. Ehnes requested that CADP encourage its member plans to provide examples, and to provide specifics regarding the plan offering, including any impact on prospective enrollees' access to care.

The topic of legitimate vs. "illusory" benefits also was discussed, Ms. Ehnes pointing out that DMHC wants a line somewhere but is unsure at this point where that line should be drawn. She pointed to Knox-Keene as the reference point regarding full financial disclosure, reasonable co-pays, etc., and that she would welcome CADP input in this area. This remains an open issue.

We also discussed the results of the CADP member survey relative to the DMHC. After reviewing the summary, Ms. Ehnes requested that we provide her with greater detail, which information

was subsequently forwarded.

At the conclusion of the meeting, we brought up a proposal for a DMHC educational briefing in the fall regarding the state of the current dental benefits marketplace. Both Ms. Ehnes and Ms. Sturdevant were supportive of such a briefing, noting that there were others in the Department who could benefit by attending. Ms. Ehnes also requested that the CADP survey be reviewed again at that meeting, for the benefit of other DMHC staff.

CADP/DMHC Fall Briefing— Following a discussion at the May Board meeting and a subsequent meeting with DMHC (described above), the CADP Board of Directors approved engaging the services of Mercer Human Resources Consulting Company to develop an independent analysis of current market trends and purchaser (including group and individual consumer) desires for more affordable dental coverage. The "white paper" will be shared with the Department of Managed Health Care at an educational briefing some time in the fall.

In addition, DMHC is exploring "core" dental benefits. As a result, the Board of Directors agreed to identify limitations and exclusions commonly used within the dental benefits industry and to provide that information to the DMHC. Following that action, member plans received a request from Drs. John Gaebel and Ron Inge, asking that

they forward the information. It should be reiterated that all information will be de-identified.

Contracts with Providers: Waiting Room Notices: 2002-REG-5— Due to opposition from both plans and providers, DMHC will revise the regulation, as follows:

- DMHC will supply both the notices and the translated notices, and will include this information on the website for use by providers, eliminating plan requirements in this area. Use of a poster published by the Office of the Patient Advocate (OPA) will serve as compliance.
- DMHC intends to require that providers post translations in the languages spoken in the geographic community, but have the ability to adjust based on their general patient base.
- DMHC is aware that the definition of "waiting room" is an issue.
- Compliance will be handled through surveys. DMHC is not going to survey every provider office, but intends to use a "substantial compliance" rule.

Assignment of Enrollees to Capitated Providers: 2002-REG-1 — DMHC is withdrawing the regulations and will begin the process anew. It is anticipated that a new version will be released in 60 days for the first 45-day notice period.

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THANK YOU to our 14th Annual Conference sponsors and exhibitors!
Thanks, too, to board members John Gaebel and Ron Inge for the excellent program.
Once again, both the program and social events received kudos.

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the project is relatively short so your attention to this matter is appreciated.

On a related topic, dental plans and staff model plans have concerns related to challenges by the DMHC relative to the 50% copayment issue. The Department also has several concerns. The first is about preventive care, in that it does not wish to see a reduction in the level of coverage for these benefits from what is presently being provided with minimal or no copayments. Specifically, the Department does not want to see changes to benefit design that includes copayments for services that might act as a barrier to members obtaining those services. Secondly, the Department wants to ensure that the copayment levels for services are less than 50% of the actual cost to the plan for the service. At the Board level, it is our intention is to work with the Department and to provide recommendations to the plans for improved disclosure. This will help to ensure that consumers are aware that the coverage they are purchasing includes numerous services that have no or minimal copayment charges and that all other services provided require copayments as set forth in benefit schedules.

In closing, I wish to extend my sincere appreciation to all the CADP Board Members for their volunteer efforts, and for the financial support that each of us has from our respective organizations to serve the association and dental benefits industry.

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In the News . . .

▶ **DMHC Announces Fines**— The Department of Managed Health Care recently announced that it has fined health plans \$610,500 in the past three years for violating the state's prompt payment law (AB 1455). In a June 18 letter, James Novello of the Office of Enforcement, stated that the agency had fined 19 health plans since July 1, 2000. The largest fine was against PacifiCare, the smallest against Blue Cross.

▶ **DMHC Appointments**— In late April, the Department of Managed Health Care (DMHC) announced that Cindy Ehnes had been appointed Deputy Director for Plan and Provider Relations. She replaced Joy Higa, who was appointed to the Governor's Cabinet office. Ms. Ehnes is an attorney with a patients' rights and health care background. She previously served as Chairman and Consumer Representative to Colorado's insurance plan for uninsured, high risk individuals, and prior, was Enforcement Director for the Consumer Affairs section at the Colorado Division of Insurance, where she oversaw passage of several patients' rights initiatives, including new rules for patients with chronic conditions and for newborns. She also developed the small business and quality assurance audit procedures for health plans. Prior to her appointment, Ms. Ehnes served as the interim executive officer at the California Board of Optometry in the Department of Consumer Affairs. She is a graduate of George Washington University and Catholic University Law School, both in Washington, D.C.

The DMHC has also announced the appointment of Jim Novello to the position of Chief of the Office of Enforcement, where he will be responsible for directing the Department's enforcement

and litigation activities. Prior to joining the Department, Mr. Novello served for four years as a Deputy District Attorney in Sacramento County. He also served for ten years as a police officer in San Mateo, California. He earned a Bachelor of Science degree in Economics and Organizational Management from the University of San Francisco and received a law degree from Gonzaga University School of Law.

▶ **CAHP Hires CEO**— Citing a need for a leader with hands-on, practical experience, the California Association of Health Plans recently announced the selection of Steven D. Tough as its new President and CEO. Most recently a self-employed health consultant, Mr. Tough has provided services to organizations in all areas of the health care marketplace, including hospital systems, health plans, medical resource and information companies, medical Internet services, health care start-ups and the California Public Employees' Retirement System (CalPERS). Prior to opening his consulting company four years ago, Mr. Tough spent nearly 20 years at Foundation Health Corporation, where he was Division President and COO. He is a graduate of California State University, Sacramento, and received his Master's degree in Public Health from the University of Michigan. Mr. Tough succeeds Walter Zelman, who resigned from the position

in December 2002 to return to Southern California.

▶ **Dental Board Regulations Proposed**— A package of five regulations has been proposed by the Dental Board of California. One would amend current regulations regarding the scope of duties of a registered dental assistant (RDA) and clarifies that registered dental hygienists in extended functions (RDHEF) and registered dental hygienists in alternative practice) (RDHAP) are qualified to determine that the teeth to be coronally polished are free of calculus or other extraneous material. The second would adopt regulations implementing the California Dental Corps Loan Repayment Program, created by 2002's AB 98. The program encourages recently licensed, linguistically and culturally competent dentists to practice in underserved areas by awarding up to \$105,000 for repayment of educational loans, in exchange for a three-year service commitment. The third would amend current exam requirements for RDHAPs, the fourth would amend permitted functions of dental hygienists and allow unlicensed dental assistants to operate intra-oral photography or other imaging equipment, while the fifth would amend regulations governing duties and training requirements for dental assistants and dental hygienists in extended functions. Agency Contact: Linda M. Madden, (916) 263-2300.

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