



## President's Report

Susan M. Klarner

► It is always great to end the year with a brief recap with some positive impact that we've made as an association. To that end, we should all be proud at the collaboration and level of volunteerism that went into key initiatives including the development of the model Evidence of Coverage document. CADP has well represented our industry and responded to many critical issues affecting our member plans including the DMHC Language Assistance regulations and ensuring that we keep a dental benefit presence in Sacramento in the current healthcare reform debate.

In 2007, CADP will focus on keeping our issues at the forefront with legislators and we will continue to serve as an important resource to the DMHC on all issues that affect the dental benefits industry. This is sure to be an exciting time in Sacramento as we continue the second term with this Governor. As such, as an association, we should anticipate a continued need for lobbyist and legal resources as we focus our initiatives for 2007.

After the holidays and the launch of the New Year, everyone should be ready to hit the ground and ready to tackle the issues. No better place to do this than in Sacramento with CADP. Our 17th Annual Legislative and Regulatory Conference is scheduled on January 22-23, 2007. Before you get ready to sit down and watch the NFL - join us in Sacramento for "Health Care 2007: Reform or Political Football". We've have put together an extremely exciting program that promises to be a bit controversial! We look forward to seeing you there! The latest updates regarding the changes in Sacramento are sure not to disappoint.

On behalf of the Board of Directors of CADP I would like to extend our appreciation of your ongoing commitment and support of our association. Have a joyous and wonderful holiday season!



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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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Jackie Miller, Executive Director

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# CADP Board of Directors

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Western Dental Services, Inc.

Charles Stewart, DMD  
Aetna Dental of California, Inc.  
(co-dental director representative)

Michelle Nguyen  
CIGNA Dental Health  
of California Inc.

Vacancy

## Welcome New Members!

Applied Knowledge, Inc.

Care 1st Health Plan

# Dots and Dashes

Charles D. Stewart, DMD, Co-Chair, Quality Management Committee

▶ The Holidays are coming and the dental directors are getting fat, please put an assessment in the regulators hat. If you haven't got an assessment then a fine will do, if you haven't got a fine then, God Bless You.....Well, taking words of a favorite holiday song (Christmas is Coming) and applying it to our industry is strikingly realistic. As we reflect back on 2006, appearances are that this Dickens-era song has general application to the current business atmosphere for the dental insurance industry in California. CADP has been involved in analyzing, commenting and ultimately developing materials and guidance beneficial to both plans as well as regulators. Major achievements in 2006 were the development of the model EOC, adoption of a strategic plan on Children's Dental Health Status in California (the QMC had representatives from the CDA Foundation at the November meeting, speaking on this subject) as well as testimony on the proposed Language Assistance Regulations. Speaking of the latter, CADP as well as many individual plans submitted comment letters to the Department in response to the third comment period. This comment period closed December 3rd, 2006 and now we wait to see the results.

Another regulator, the Dental Board of California, has announced it has approved in concept an alternative route to licensure, utilizing registered residency programs. This route essentially sidesteps the practical aspect of the licensure examination. The board explains that it recognizes the shortage of dentists, and hopes this action will ease this shortage. Based on recent residency enrollment figures, this action

will have minimal effect on the number of dentists. My concern is that this action could begin a decline in quality of care, as these dentists will be essentially untested. Should this be approved, it will provide additional validation of our strong quality assurance programs and monitoring through assessments or audits.

Speaking of audits, it would not be a Dots and Dashes without mention of the Shared Audit Project. A request for proposal was extended in Summer 2006, with two entities submitting proposals to establish the shared audit warehouse. Both proposals were submitted to the CADP Board of Directors for review and analysis. Additional information and clarification was requested and received from the applicants. The Board is in the process of final review and analysis of the bids, and will make a presentation regarding the Shared Audit Warehouse proposal at the Business Meeting taking place during the Legislative Conference.

And speaking of the Legislative Conference—the 17th annual Legislative and Regulatory Conference, January 22 & 23, 2007, promises to be one of the most informative you have ever attended. The list of invited presenters is stronger than we have ever had, and reflects what the CADP board envisions as a sneak peek into the 2007-2008 legislative agenda and focus on healthcare. The invitees come from various aspects of state government, highlighted by presentations on the Governor's proposed health plan, as well as information from the other regulator (Department of Insurance). Don't fret: yes, there will be a presentation from the DMHC as well, to round out your

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# Political Update

Jackie Miller, Executive Director

▶ November elections are over and, as expected, Governor Schwarzenegger was re-elected overwhelmingly. That election also brought with it many new members of the Legislature, but no seats changed parties. As a result, the makeup remains the same: 25 Democrats and 15 Republicans in the Senate, 48 Democrats and 32 Republicans in the Assembly. Six of eight statewide offices went to Democrats – the exceptions were the Governor and Insurance Commissioner (Steve Poizner). Democrats took the offices of Lt. Governor (John Garamendi), Attorney General (Jerry Brown), Controller (John Chiang), Secretary of State (Debra Bowen), Treasurer (Bill Lockyer) and Superintendent of Public Instruction (Jack O'Connell). And while the infrastructure bond measures all passed, the two health care measures on the ballot (parental notification prior to abortion, cigarette tax increase to fund health programs) failed.

The Democratic leadership in both the Assembly and Senate remain the same, with Don Perata as President pro Tempore and Fabian Nuñez as Assembly Speaker. While Senate Republican Leader Dick Ackerman successfully fought off a party leadership challenge by Senator Jim Battin and retains his post as Minority leader, Assembly Republicans dumped their leader, George Plescia of San Diego, replacing him with Mike Villines of Clovis. Plescia, who held the job for only six months, was seen as too accommodating to the legislative Democrats and Governor Schwarzenegger.

As generally occurs following an election, several senior members of the Governor's office have left or will be leaving to pursue other opportunities. They include Education Secretary Alan Bersin, Press Secretary Margita Thompson, Deputy Chief of Staff and legislative liaison Richard Costigan, and Senior Adviser Bonnie Reiss, as well as BT&H Agency Secretary Sunne Wright McPeak. Others will follow, and new appointments are being announced almost on a daily basis.

2007 Priorities: Health care...Health care...Health care

The health care debate is heating up in Sacramento, and it's not yet 2007! In addition to measures introduced by Assembly Democrats, including Speaker Fabian Nuñez, Rules Committee Chair Hector De La Torre and Health Committee Chair Mervyn Dymally, all stating the goal of universal coverage, Senate President pro Tempore Don Perata has rolled out his own reform measure. In a December 12 press conference, he outlined a plan to cover 4.2 million uninsured working Californians and their families by requiring employers to provide health insurance or pay into a state purchasing pool, requiring employees to purchase health coverage or face tax penalties, and expanding Medi-Cal to cover an additional 1.2 million enrollees. He also estimated the cost at \$5-\$7 billion, all covered by businesses, workers and the federal government, although policy experts have questioned whether California could avoid paying some of the cost of a Medi-Cal expansion. In his announcement, he used the term "shared responsibility" on several occasions, echoing a theme of the Governor and his health policy team.

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## *Dots and Dashes (continued)*

Sacramento trip and allow attendees exposure to the complete regulatory experience. The Conference will be held at the Hyatt Regency Capitol Park, and the Monday Evening Reception and Dinner will be held in a new venue in the hotel, the Capitol View Room, allowing unprecedented views of the Capitol at night. Please plan to attend the Conference and be aware that registration closes January 15, 2007.

The next meeting of the Quality Management Committee will be an

abbreviated one on Monday January 22, 2007 from 10:30 to 12:00. Due to the limited time for this meeting, there will not be continuing education given.

There are two Auditor Training and Calibration courses scheduled for 2007. The first is scheduled for February 21 & 22 at the LAX Marriott. Registration for this closes on January 19, 2007, and applications can be obtained from Dr. Stewart (stewartc@aetna.com). The second course for 2007 will be offered in conjunction with the CADP Annual

meeting in Dana Point. This meeting takes place May 30 – June 2, 2007. The Quality Management Conference is June 1-2, 2007. I would encourage attendance for the entire conference, as the invited speakers are truly innovative and will be presenting topics never before heard by this association.

As I close this column I wish you all a very Happy Holiday Season and a Prosperous New Year!

# In the News...

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▶ **Initiative re Single-Payer in Circulation**—An initiative measure establishing a single-payer health care system has been cleared for circulation in California. It would create a state agency to administer the California Health Insurance System, which would provide comprehensive health care coverage, including prescription drugs, with funding provided by premiums imposed on income-earners and employers and by use of existing federal, state and local health care funds. The proponents must obtain 373,816 valid signatures by April 16, 2007.

▶ **Medicaid Costs Stabilizing**—According to recent reports, California and other states have been able to control spending on Medicaid services because of an improved economy and changes in federal law. The California Department of Health Services recently announced that the growth rate for Medi-Cal has slowed from 9.6 percent in fiscal year 2005-2006 to 7.3 percent in 2006-07 and, according to federal officials, during the first nine months of 2006, federal Medicaid spending fell by 1.4 percent. However, some experts have argued that the federal figures do not reflect the full costs associated with the program, noting that one reason for the change was that the federal government shifted some costs for prescription coverage from state Medicaid programs to the federal Medicare program.

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## *Political Update (continued)*

As he announced on several occasions both before and following his election, Governor Schwarzenegger's top priority for 2007 is health care. He has convened a task force, comprised of several health care veterans, including Daniel Zingale, Herb Schultz, John Ramey and Richard Figueroa, to draft proposals for dealing with skyrocketing costs and increasing coverage for uninsured Californians. How these efforts will develop remains to be seen, but the task force has reached out to many stakeholder groups, including CADP, for recommendations and ideas. Proposals under consideration include the repeal of some coverage mandates for HMO's, expanding health insurance coverage for children, addressing obesity rates, and promoting exercise, especially among children. It is also looking at reducing errors in surgeries, prescriptions and other treatments by promoting the use of electronic records and other technology. The Governor, who opposes a single-payer approach, has stressed the importance of "shared responsibility," whereby insurers, consumers, government, employers and providers contribute to solutions. The Governor intends to introduce his reform package during his State of the State address in January.

Eliminating the state's chronic budget deficit is another goal that both the Governor and legislative leadership have stated is a priority. A report recently released by the independent Legislative Analyst's Office has estimated that although there will be a larger cash reserve than anticipated for next year, the state's budget shortfall will be more than \$5 billion for the next two fiscal years. Legislative Democrats have gone on record stating that it plans to work with Republican legislators and the Governor to erase the deficit, similar to the cooperation achieved on the infrastructure bond proposals which passed the Legislature.

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CALIFORNIA  
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**One Capitol Mall, Suite 320  
Sacramento, CA 95814-3229**



**California Association of Dental Plans**  
**17<sup>th</sup> Annual Legislative and Regulatory Conference**  
**January 22-23, 2007 ◀ Sacramento, CA**

**Registration Form**

*Please complete one form for each participant.*

Name \_\_\_\_\_

Title \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

V \_\_\_\_\_ F \_\_\_\_\_

E \_\_\_\_\_

**REGISTRATION FEES**

	<b>By Jan. 15</b>	<b>After Jan. 15; On-Site Fee</b>
<input type="checkbox"/> CADP member registrant	\$395	\$495
<input type="checkbox"/> CADP member - additional registrant(s), same company	\$295	\$395
<input type="checkbox"/> Non-CADP member registrant	\$495	\$595
<input type="checkbox"/> State rate (maximum of 2 attendees)	\$125	\$175
Total amount enclosed	\$ _____	

**PAYMENT INFORMATION**

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:

MasterCard       VISA

Credit Card Number \_\_\_\_\_ Exp Date \_\_\_\_\_ 3 Digit Code \_\_\_\_\_

Name on Card \_\_\_\_\_

Signature \_\_\_\_\_

• **Note:** Credit cards will be processed under the name “Advocacy and Management Group,” or “AM Group.”

**REGISTRATION DEADLINE**

Early registration must be made by January 15, 2007. A \$100 late fee will be added for registrations received after that date.

**CANCELLATION POLICY**

Only written cancellations received by January 15, 2007, will receive refunds (less a \$50 processing fee). No refunds will be made after January 15, 2007.

**Please return this form and payment to:**

CADP, One Capitol Mall, Suite 320, Sacramento, CA 95814

v: 916.446.3122; f: 916.444.7462; Tax ID# 33-0385553

**QUESTIONS? CALL CADP: 916.446.3122, or FAX 916.444.7462**

# 17th Annual Legislative & Regulatory Conference

## "Health Care 2007: Reform or Political Football?"

► The 17th Annual Legislative & Regulatory Conference is around the corner! Don't miss out on what will be another meeting filled with the latest in the health care debate in the State Capitol. Our keynote speaker, Health & Human Services Agency Kim Belshé, is the Governor's point person on health and a top-notch policy expert. She's sure to capture our interest. Our invited luncheon speaker is newly-elected Insurance Commissioner Steve Poizner, the "other regulator." Bringing a Silicon Valley perspective to the state bureaucracy, he's said he'll bring new ideas to the table. We'll also hear from legislators, top health plan and provider lobbyists, Governor's health care experts, political consultants, and key regulators. Register today!

### Schedule of Events:

#### *Monday, January 22, 2007:*

- 10:30 am Quality Management Committee meeting (Carmel)
- 12:15 pm Board of Directors' meeting (Capitol Board Room)
- 3:00 – 6:00 pm Registration (Mezzanine)
- 4:00 – 5:00 pm CADP Business Meeting (plan members only) (Golden State)
- 6:30 pm Reception and Dinner (Capitol View)  
Keynote Presentation: S. Kimberly Belshé, Secretary  
Health & Human Services Agency, State of California (invited)

#### *Tuesday, January 23, 2007:*

- 7:00 am Registration (Mezzanine)
- 7:30 am Continental Breakfast (Golden State)
- 8:00 am Conference convenes (Golden State)
- 8:15 – 9:00 am Lobbyists' Roundtable: Moderator: Jo-Linda Thompson, CADP legislative advocate  
Jeffrey L. Shelton, Vice President, State Government Relations, Health Net, Inc.  
Cathy Mudge, Vice President, Public Policy, California Dental Association  
Ann-Louise Kuhns, Regional Vice President, State Affairs, Blue Cross of California
- 9:00 am – 9:45 am "The Legislative Agenda – 07"  
Senator Dick Ackerman, Senate Republican Leader
- 9:45 am – 10:30 am "Why the Election Went the Way It Did"  
David Binder, CEO, David Binder Research
- 10:30 am – 10:45 am Break
- 10:45 am – 11:30 am "The Governor's Proposed Health Plan"  
Herb Schultz, Senior Health Policy Advisor, Office of Governor Arnold Schwarzenegger
- 11:30 am – 12:15 pm "Regulatory Round-up"  
Tina Dunlap, Chief, Licensing Division; Amy Krause, Licensing Counsel,  
Department of Managed Health Care
- 12:30 pm – 1:30 pm Luncheon (Capitol View)  
"The Other Regulator"  
Steve Poizner, Commissioner, Department of Insurance (invited)
- 1:30 pm Conference concludes