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TO THE HOUSE COMMITTEE ON HEALTH  
TWENTY-FIFTH LEGISLATURE  
Regular Session of 2009

Friday, February 13, 2009  
8:30 a.m.

**TESTIMONY ON HOUSE BILL NO. 1208 – RELATING TO DENTAL CARE.**

TO THE HONORABLE RYAN I. YAMANE, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

My name is J.P. Schmidt, State Insurance Commissioner (“Commissioner”),  
testifying on behalf of the Department of Commerce and Consumer Affairs  
(“Department”). The Department takes no position on this bill, but wishes to offer some  
comments.

This bill establishes rules for coordination of benefits provisions in dental plans.  
We believe this bill codifies the general practice in the health insurance industry and  
therefore may not represent a significant change. We do not know exactly how many  
people have dual dental coverage, but we suspect that it is not a large number.

Section two of the bill discusses these rules in connection with mutual benefit  
societies. The bill talks about a “group hospital or medical service plan contract  
covering dental services”. We are not sure that dental coverage is typically offered  
within a medical plan. It may be more common to offer dental coverage in a separate  
rider. Therefore some consideration should be given to adjusting this language.

We thank this Committee for the opportunity to present testimony on this matter.

Hawaii State Legislature  
State House of Representatives  
Committee on Health

Representative Ryan I Yamane, Chair  
Representative Scott Y. Nishimoto, Vice Chair  
Committee on Health

Friday, February 13, 2009, 8:30 a.m. Room 329  
House Bill 1208 Relating to Dental Care

Honorable Chair Ryan I. Yamane, Vice Chair Scott Y. Nishimoto and  
members of the House Committee on Health,

My name is Dr. Craig Mason and I am the President-Elect of the Hawaii Dental Association and I appreciate the opportunity to testify in support of HB 1208 Relating to Dental Care. This bill addresses a problem that has arisen over the last decade in the common situation where two spouses dental insurance coverage overlap.

In the past, the family members enjoyed the ability to utilize both insurance coverages to maximize the dental coverage benefits to allow for full coverage of the billing rather than just 70 or 80 percent of the billing. In the last ten years, the insurance industry has administratively determined that if another insurer covered the 70 or 80 percent of the billing, then the second policy would not pay any amount toward the billing. In the past, they would pay at least the remaining balance of the billing.

It has been pointed out to the HDA that the insurance companies in some cases have written in to the most recent contracts this previously administrative determination. Our association believes that in those cases where it is not part and parcel of the dental coverage and only an administrative policy, that the insurance companies are unfairly, and possibly illegally, denying the insured families coverage which they, or their employers, have paid for. In effect, the insurance companies provide only single coverage for a double premium payment, deny due benefits to both the employer and employee. This is unfair and a consumer rights issue.

In the case where the recent contracts have provisions written to limit or eliminate the benefits of the second insurance coverage, we feel that the limitation of benefits should be fully disclosed and an appropriate premium reduction or discount be attributed to this provision in the contract.

In California, this measure was passed in 2007 in order to protect the public and provide greater transparency in the dental insurance coverage the public pays for.

The Hawaii Dental Association and its members feel that the public is due a fair shake and feels the public is at a distinct disadvantage, like David vs. Goliath, but that sense of fairness and justice be applied so the patient and employer are able to receive the full benefit of their insurance coverage.