

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 15, 2010

1:32 p.m.

MEMBERS PRESENT

Senator Bettye Davis, Chair
Senator Joe Paskvan, Vice Chair
Senator Johnny Ellis
Senator Joe Thomas

MEMBERS ABSENT

Senator Fred Dyson

ALSO PRESENT

Senator Charlie Huggins
Senator Linda Menard
Representative Carl Gatto

COMMITTEE CALENDAR

PRESENTATION: Facing Foster Care in Alaska

- HEARD

SENATE BILL NO. 258

"An Act prohibiting health care insurers that provide dental care coverage from setting a minimum age for receiving dental care coverage, allowing those insurers to set a maximum age for receiving dental care coverage as a dependent, and prohibiting those insurers from setting fees that a dentist may charge for dental services not covered under the insurer's policy."

- MOVED SB 258 OUT OF COMMITTEE

SENATE BILL NO. 219

"An Act establishing a traumatic brain injury program and registry within the Department of Health and Social Services; and relating to medical assistance coverage for traumatic brain injury services."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 258

SHORT TITLE: DENTAL CARE INSURANCE

SPONSOR(S): SENATOR(S) HUGGINS

02/05/10 (S) READ THE FIRST TIME - REFERRALS
02/05/10 (S) HSS, L&C
02/15/10 (S) HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

AMANDA METIVIER, statewide coordinator
Facing Foster Care in Alaska (FFCA)
Anchorage, AK

POSITION STATEMENT: Presented information on foster care in Alaska.

REPRESENTATIVE LES GARA
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Spoke about foster care.

SHARON LONG
Staff to Senator Huggins
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Answered questions about SB 258.

LINDA HALL, director
Division of Insurance
Department of Commerce, Community and Economic Development
(DCCED)
Anchorage, AK

POSITION STATEMENT: Answered questions about SB 258.

PAT SHIER, director
Division of Retirement and Benefits
Department of Administration
Juneau, AK

POSITION STATEMENT: Answered questions about SB 258.

DR. DAVID LOGAN
Alaska Dental Society
Anchorage, AK

POSITION STATEMENT: Supported SB 258.

DR. JOHN WALLER

Alaska Dental Society
Fairbanks, AK
POSITION STATEMENT: Supported SB 258.

CHRIS FRANK
Governmental Affairs Department
Aetna Insurance
POSITION STATEMENT: Opposed SB 258.

ACTION NARRATIVE

[1:32:47 PM](#)

CHAIR BETTYE DAVIS called the Senate Health and Social Services Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Ellis, Paskvan and Chair Davis.

PRESENTATION: FACING FOSTER CARE IN ALASKA

[1:33:17 PM](#)

CHAIR DAVIS announced the first order of business would be a presentation on foster care in Alaska.

[1:33:39 PM](#)

AMANDA METIVIER, Statewide Coordinator, Facing Foster Care in Alaska (FFCA), said FFCA advocates for changes to the foster care system by sharing personal experiences. FFCA recently finished a digital storytelling project featuring 12 stories on the topics of permanency, education and culture.

[1:35:10 PM](#)

MS. METIVIER began with Courtney's video on education entitled: "It's all about me". Courtney said she is 21 years old and has six brothers. She was in foster care for three years, separated from three of her brothers. She has been in 20 placements and a behavioral hospital. She was made fun of in school for being a foster child. Going to school made her depressed. In high school she stayed within the native program but still started skipping school due to depression and the separation from her family.

[1:36:44 PM](#)

SENATOR THOMAS joined the meeting.

Courtney's video continued. She failed two years of high school and gave up. She went back to live at home with her mother and enjoyed being back with her brothers. Today she is interning at the community service center and working on her GED.

[1:37:37 PM](#)

MS. METIVIER noted about 40 percent of youth who age out of the foster care system end up homeless. She introduced Marie's video about culture, entitled: "The Side Effects of Foster Care." Marie said she has been in and out of child protective services her whole life due to her mother's alcoholism. A couple of years ago, she stayed at the children's home in Kotzebue, which she appreciated as she did not have to "migrate through school districts". Her cousin brought her some native food and the staff told her she could not eat it because it was not approved by the FDA. She said, "I am an Alaska Native. Food is a really big part of my culture" and "you can imagine the shock, outrage and sadness I felt when I learned the first side effect of being in foster care: The loss of my culture."

[1:40:34 PM](#)

MS. METIVIER introduced the next video clip, on permanency, by Angel, entitled, "My God Given Gift". Angel said she has been in foster care on and off for as long as she can remember. Her birth mother was an alcoholic. Angel said she has been abused "in every way possible". She took care of her two younger brothers but they were often separated from each other. Her birth mom died when she was 13 years old. She and one brother moved to an aunt's house, then to a 30 day emergency home and then in with the Adams family. The Adams family treated Angel like family. She doubted the Adams family's talk of adoption right up until the day she and one brother were in the courtroom. That was the happiest she has ever been even though her eldest brother was not adopted.

[1:43:47 PM](#)

MS. METIVIER introduced the next video clip, also on permanency, by Becca. It was titled: "Finding a Family". Becca said she is currently a ward of the state. She has been in custody for over 6 years but she grew up taking care of herself. She entered foster care during junior high. She switched homes several times, stayed at homeless shelters, treatment facilities and on the streets. She found her current permanent placement after a failed reunification with her mother and 23 placement changes. She is a college student, a photographer and a representative of the state's foster youth and alumni. Permanence has bettered her outcome exponentially; every youth has the right to that.

[1:47:44 PM](#)

MS. METIVIER started one final video by Shane, entitled "Within Temptation." Shane said alcohol has been a part of his family for as long as he can remember. He witnessed his parent's

arguments escalate to heartaches and fights. His heart has been full of fear and that eventually mutated to madness. He described a fight he had with his father. Alcohol was the ruler in his house. He was taken away from his home and it felt like being "thrown down a flight of stairs". He discussed taking things one step at a time with the help of friends and advocates. He described his thoughts, experience and temptations with the metaphor of a storm.

[1:51:11 PM](#)

CHAIR DAVIS acknowledged Representative Gara's presence and thanked him for his advocacy in foster care legislation, having been a foster child himself. She also recognized Senator Menard and Senator Huggins as being in the room.

CHAIR DAVIS gave further thanks to Ms. Metivier for her work to improve foster care. She noted support that Rasmussen Foundation and Kacey Foundation have given Ms. Metivier's work. Chair Davis noted that she used to be a foster care coordinator in Anchorage and spent a lot of time with foster children and families. Angel was adopted by Senator Davis' cousin, the Adams family.

[1:55:10 PM](#)

SENATOR THOMAS asked the ages of the kids when the video clips were made.

MS. METIVIER replied that the video project was finished in November. All clips were by kids between the ages of 18 and 20.

[1:55:46 PM](#)

SENATOR ELLIS asked Ms. Metivier what the next step is and what she hopes to achieve this session in terms of policy or budget.

MS. METIVIER replied that one goal is educational stability. As youth bounce between foster home and other placements, they bounce between schools and fall behind. By the time they get to high school, foster kids are so far behind that they do not graduate. She spoke with the Anchorage school district's Child in Transition program and found that only a quarter of the 9th graders were on track to graduate on time. Foster kids are not making it through high school and then are out of custody at 18. If they do not achieve permanence before aging out of the system, they do not have a support system in place. She mentioned current legislation about extending foster care to 21 years old and tuition waivers for kids who do age out of the system. Currently the state supplies ten tuition waivers; last

year 12 kids applied. If kids do not get the tuition waiver, they often do not try again because they have other struggles.

[1:57:25 PM](#)

SENATOR THOMAS asked the ages that Ms. Metivier works with.

MS. METIVIER said the members of FFCA are ages 16-24.

SENATOR THOMAS asked how many potential foster homes exist in relation to the number of kids who need them.

MS. METIVIER said she does not know the number but knows a shortage exists. In Anchorage, a lot of older youth are placed at Covenant House and stay at the shelter off and on. Placement shortages are worse for older kids because people are more hesitant to take in teenagers.

[1:58:46 PM](#)

CHAIR DAVIS asked Representative Gara to speak about current legislation.

[1:59:12 PM](#)

REPRESENTATIVE LES GARA said Ms. Metivier is the best advocate. Some issues that FFCA is pushing can be done as budget items, though legislation could be better. The effort that a child with a stable family has to put forth is different than the effort that a child who has bounced between 10 homes has to put forth. As legislators consider the qualifications for university financial aid, the reality for foster kids must be addressed.

CHAIR DAVIS agreed foster children have to be treated differently when looking for scholarships. She suggested that perhaps tuition waivers should be increased from 10 to 20 or an unlimited number. She also noted the push to allow foster kids to stay within the school they were in when they entered foster care rather than changing schools every time they change homes.

CHAIR DAVIS called a brief at ease from 2:02 p.m. to 2:03 p.m.

SB 258-DENTAL CARE INSURANCE/PREFERRED PROVIDERS

[2:03:33 PM](#)

CHAIR DAVIS announced the consideration of SB 258.

SENATOR HUGGINS, sponsor of SB 258, said SB 258 is an opportunity to assist young people in maintaining oral health. SB 258 avoids a minimum age [for dental coverage]. Similar

legislation has been introduced in 20 states and has been passed in one. Whether or not an insurance company should be able to cap fees not covered by the insurance company is also an issue.

[2:08:08 PM](#)

SHARON LONG, staff to Senator Huggins, said some contracts are in effect in Alaska that do "fee capping" currently.

[2:09:00 PM](#)

LINDA HALL, director, Division of Insurance, Department of Commerce and Economic Development (DCCED), showed a pie chart and the segment representing the portion of the Alaskan insurance marketplace that the Division of Insurance regulates. When the legislature makes mandates, changes or prohibitions to insurance programs, only a small piece of the pie is affected. These kinds of changes impact individuals and small groups, not employers of over 100 employees. She cautioned that the legislature recognize who the legislation will impact and who it will not impact. She is neutral on SB 258.

[2:11:19 PM](#)

CHAIR DAVIS said she appreciates that small businesses, etc would be affected by SB 258. She asked if the legislature also could also mandate that the state plan abide by the law.

MS. HALL replied that the legislature can choose to have the legislation apply to the state plan. However, federal law cannot be pre-empted to have this proposed law apply to the self-insured groups because they are regulated federally and different qualifications exist for Medicare and Medicaid.

[2:12:27 PM](#)

SENATOR THOMAS read from Section 1 of SB 258 [amending AS 21.42.392(a)]:

(a) A health care insurer who provides coverage for dental care may not include in the health care insurance plan or contract a provision that

(1) prohibits a covered person from obtaining dental care services from a dentist of the person's choice, including a specialist;"

He asked how many of those, not impacted by SB 258, allow a different tier of compensation outside the preferred provider network.

[2:14:05 PM](#)

MS. HALL was unsure of Senator Thomas' question. She said SB 258 does not impact a preferred provider network either in the private marketplace or the self-insured market place.

SENATOR THOMAS said that a small number of people are affected if SB 258 prevents an insurer from implementing a policy which forces a person to go to certain providers. But other provisions in SB 258 allow an insurer to change the rates if a person goes to a dentist outside the preferred provider group. This seems like a fair compromise.

MS. HALL clarified that the part about allowing an individual to go to the dentist of their choice is already in statute. SB 258 addresses kids and says an insurance company cannot deny coverage under a certain age. SB 258 also says the insurance company may put an age cap on a dependent; for example, the company will cover dependents up to 21 and full-time students.

[2:17:11 PM](#)

SENATOR PASKVAN asked if other types of coverage, such as direct federal or Employment Retirement Income Security Act (ERISA), prohibit establishing a minimum age for receiving dental care.

MS. HALL said she does not know but she did not think a standard is applied in statute to the insured plans.

[2:18:04 PM](#)

CHAIR DAVIS commented that SB 258 will only apply to a small portion of insurers but perhaps other plans are already meeting the mandate. She asked if Ms. Hall agrees that some insurers are already complying.

MS. HALL said she thinks that even the private insurance marketplace has coverage for young children and caps coverage for dependents at a certain age. SB 258 may have a pro-active intent considering things seen in other parts of the country. SB 258 has a third component involving whether or not insurance companies can negotiate prices with dentists for services that the insurance company does not cover. For example: A dental policy that does not cover orthodontia still puts in their contract that the patient would only pay a certain amount toward orthodontic work. She asked if legislators want to speak about what should or should not be in a contract between an insurance company and a dentist. That is a policy call.

[2:20:57 PM](#)

PAT SHIER, director, Division of Retirement and Benefits, Department of Administration, confirmed that SB 258 would not apply to the state health and retiree health plan. The state plan does not have a coverage floor for young children.

[2:22:00 PM](#)

SENATOR PASKVAN clarified there is no minimum age under the state's current plan.

MR. SHIER replied that is correct.

SENATOR PASKVAN asked if the maximum age at which a person ages out of coverage is established by the state of Alaska.

MR. SHIER answered the state plans require that a person be a student after age 18 in order to be covered as a dependent under a parent's plan. Coverage can continue for a student until his or her 23rd birthday.

SENATOR PASKVAN said SB 258 would permit the insurer to set the maximum age rather than the employer. He said the state currently sets the maximum age and then self-insures.

MR. SHIER responded that Title 21 appears to give the insurer that.

[2:24:00 PM](#)

DR. DAVID LOGAN, Alaska Dental Society, said SB 258 is valuable for consumers. For the past few years, the dental society has worked with the dental board to allow dental reimbursement for medical providers. Providers are doing things like looking inside mouths and applying fluoride as part of well-baby checks. Alaska is still first in the nation for baby bottle caries. For children and parents facing this problem, reimbursement from dental benefits can be the difference between proceeding with care or not.

Regarding insurance company's fee capping on non-covered services: he, like many dentists, were surprised that insurance companies could do that.

[2:26:29 PM](#)

He said there is no negotiation with insurance companies. About 15 years ago, dentists were prevented from regulating dental advertising. Dentists are prohibited from speaking to or working with contracts as most trade groups would. Dentists individually assess contracts and can talk with specialists but cannot

discuss contracts with other dentists or come together to negotiate different terms. Dentists sign up for contracts because a managed care company might direct patients to them. As part of the contract with the insurance company, a dentist agrees to discount fees 50 to 70 percent for covered services and abide by a standard fee structure for non-covered services.

[2:29:55 PM](#)

A dental business needs to remain profitable. If a managed care company forces costs lower, those costs don't evaporate but get shifted. Dentistry has largely managed to avoid most cost-shifting.

DR. LOGAN said if insurance companies were sincere, they would [cover] services and pay a benefit. Services would be covered and could avoid SB 258's prohibition on fee capping. The insurance companies could set a fair premium and cover the consumer. The dentist would agree to a discounted fee structure. As it stands now, insurance companies want to limit dentists' fees without making any sacrifices on their part; they market these plans to employers at the expense of dental offices.

CHAIR DAVIS said she knows that Dr. Logan supports SB 258. He asked if Dr. Logan would give his other valuable information to the committee in writing as time is limited.

[2:34:10 PM](#)

DR. JOHN WALLER, Alaska Dental Society, Fairbanks, agreed with Dr. Logan and added that SB 258 is mainly a business bill. He wanted to illustrate his points with an analogy of being a small hotel owner. He has a certain number rooms not being filled and so contracts with a local tour company who guarantees him more customers, at cost, for the rooms. He is bringing those people in with the assumption that they may spend money on his food, gift items or tours. He can make his profit on the other items even if the rooms are rented at cost. SB 258 prevents an insurer from saying that all services must be operated at cost. As a business person, a contract where costs are all set by the insurance contract is far less attractive and viable because it eliminates the possibility of bringing people in and making a profit on some services. The insurance industry is playing on a dentist's sense of duty to his or her patients in order to fund a marketing scheme that is profitable to the insurance company.

He feels the elimination of a minimum age is straight forward; he has done a lot of work on toddlers.

[2:37:23 PM](#)

CHRIS FRANK, governmental affairs, Aetna Insurance, opposes SB 258 because it prevents insurers from contracting rates with dental providers for both covered and non-covered services. This payment arrangement is common in dental contracts and provides consumers with predictability on out-of-pocket costs and more fee information for dental procedures. Eliminating this arrangement could cause problems for employers when employees complain about increased costs for non-covered services. Aetna has established a fee schedule including nearly every service a dentist provides. That fee schedule is offered to a dentist and who agrees to be contracted under that fee schedule. SB 258 could prevent a dentist from voluntarily agreeing to having these types of services covered in their negotiated rates.

The definition of what is or is not a covered service comes into play - benefits may be covered up to a dollar amount and beyond that, it's not a covered service. He questioned what rate consumers would then be charged since some of the service is covered and some is not due to caps or deductibles.

[2:40:15 PM](#)

SENATOR THOMAS said he thought a non-covered service would only be mentioned in a contract to clarify that it is not covered.

MR. FRANK replied Aetna offers many different contracts. It would be administratively complicated to specify what is covered or not for each individual. Aetna is trying to establish one common set of fee schedules for all dental services in the state.

SENATOR THOMAS asked if Mr. Frank is saying a single booklet contains all services and then somehow people are supposed to figure out what applies to them, rather than having a pamphlet for each company or group insured with a common plan.

MR. FRANK said Aetna has a common fee schedule across the state for all services that Aetna has contracted with the dentist for. An employer may pick and choose different types of benefits, not the costs. The fee schedule is the same but the actual benefit could vary greatly depending on what plan the employer chooses.

[2:43:20 PM](#)

SENATOR PASKVAN asked if the fee schedule is available for "a la carte selection" by the consumer.

MR. FRANK replied that Aetna can provide a consumer with information if he or she calls and asks "what would it cost for X?" Consumers do not choose "I want that fee schedule for that service". The costs are provided when asked but the consumer does not pick and choose which one they want.

SENATOR PASKVAN asked, "so you don't make that available to the consumer?"

MR. FRANK answered that a consumer can call and ask about their benefits. Or they can ask about their out of pocket exposure for a service. It could become difficult to determine what is a covered benefit and what is not because the dentist could then charge retail rates, not our contracted rates, for some services. That's where unpredictability begins.

[2:45:25 PM](#)

SENATOR PASKVAN said he can understand that an insurer contracts with a dentist that charges, for example, \$75 for a cleaning, twice a year. If a person wanted a third cleaning, that would not be covered and a consumer might be confused if that third cleaning cost more than \$75, as a non-covered service. However, he did not understand the pricing mechanism and the fee capping on non-covered service. It is not included in the fee structure that the customer is being charged.

[2:46:19 PM](#)

MR. FRANK said Senator Paskvan is right; the proposed legislation would not impact Aetna but would impact a consumer who would not have cost predictability. For example, two cleanings per year are \$75 each and are covered, but it could cost the consumer \$100 for a 3rd cleaning. Or, orthodontic care may be capped at \$2,000 and beyond that, what does the dentist charge and what does the consumer pay? If Aetna cannot contract for both covered and non-covered services, the consumer has to find out what the dentist is going to charge for the service now that it is uncovered. He suggested that the legislation include an option for dentists to agree to have both covered and non-covered services provided in their contract with Aetna.

[2:47:54 PM](#)

CHAIR DAVIS said she the conversation is going beyond what needs to be discussed in health and social services. She would like to move SB 258 from this committee. The next committee of referral is Labor and Commerce.

[2:49:01 PM](#)

SENATOR PASKVAN moved to report SB 258 from committee with individual recommendations and attached fiscal note(s).

CHAIR DAVIS announced that without objection, SB 258 moved from the Senate Health and Social Services Standing Committee.

SENATOR PASKVAN told Mr. Frank he is still interested in receiving answers to his questions about the mutuality of obligations under contracts and why it's not an a la carte.

2:49:50 PM

There being no further business to come before the committee, Chair Davis adjourned the Senate Health and Social Services Standing Committee meeting at 2:49 p.m.