



CHILDREN NOW



July 17, 2013

Diana Dooley, Chair  
Peter Lee, Executive Director  
Covered California Board  
560 J St., Ste. 200  
Sacramento, CA 95814



Re: Pediatric Dental Benefit Policy

Dear Ms. Dooley and Mr. Lee,

Our organizations urge the adoption of a policy by the California Exchange that assures that all enrollees are able to purchase Qualified Health Plans (QHPs) that include pediatric dental benefits. To accomplish this, we ask that the Exchange prioritize the inclusion of QHPs with embedded dental benefits to the extent practicable for the 2014 rate year and as a standard for the 2015 rate year.

We have reviewed the July 16, 2013 letter sent by Mr. Lee to Senators Hernandez and Monning and Assemblymember Pan in their capacities as the authors of the essential health benefits legislation and the chairs of the relevant policy committees. We appreciate the recognition by the Exchange staff of the need to revisit the issue of pediatric dental benefits. This letter and the accompanying policy paper are intended to help further that discussion.

Our organizations support the reliance on embedded pediatric dental benefits for the following reasons:

- **Affordability:** Inclusion of pediatric dental benefits in an embedded plan allows consumers to apply the advance premium tax credit to all ten essential benefits, not a subset of those benefits. As detailed in the attached policy paper, for the 140,000 children in moderate-income families between 250%FPL-400%FPL, this maximizes the affordability of coverage.
- **Consumer protections:** Many of the key consumer protections in California law apply to full service plans but not to specialized plans. These include guaranteed issue, community rating,

rate review and medical loss ratio. Stand-alone dental plans thus lack the consumer protections that are available to enrollees through embedded plans.

- **Comprehensive benefits:** Under both state and federal law, pediatric dental is an essential health benefit, not a supplemental or incidental benefit. Comprehensive benefits include benefits that many enrollees will never use: some will never need maternity coverage, others will never need prostate cancer screening, and children need neither, yet all of the plans cover both.
- **Market distortions:** California has a long history in which different rules in different parts of the market have resulted in market shifts. Allowing consumers in the Exchange to purchase a partial benefit package that does not include pediatric dental benefits while requiring consumers in the outside market to buy all ten essential health benefits will have predictable, unfortunate market consequences.

Given these impacts, we believe that the Exchange should determine that it is not in the best interest of consumers to offer only stand-alone pediatric dental plans. We provide more detail in support of this position in the attached policy paper.

We recognize that the hour is late for changes for 2014. It may however still be possible that one or more QHP bidders, if permitted to do so, could offer embedded plans, though perhaps not by October 1.

Discussions about the 2015 rate year begin now. Just as last year, the Exchange Board approved in August the initial draft of the QHP solicitation, this is the time that the Exchange Board and staff should consider the changes that they wish to make for the 2015 rate year. We encourage the Exchange to adopt a policy that maximizes the offering of embedded pediatric dental plans to ensure that all ten essential health benefits are included in QHPs offered both inside and outside the Exchange.

We recognize that there are other policy issues to resolve, but the first issue should be, how the Exchange can benefit consumers by offering affordable, comprehensive coverage that is consistent with California and federal law and that provides the same benefits as offered in the outside market.

We look forward to the opportunity to discuss next steps with you. If you have any questions or concerns, please contact Julie Silas or Betsy Imholz at Consumers Union (415) 431-6747.

Sincerely,

Ellen Wu, California Pan-Ethnic Health Network  
Suzie Shupe, California Coverage and Health Initiatives  
Jamila Edwards, Children's Defense Fund – California  
Kelly Hardy, Children Now  
Julie Silas and Betsy Imholz, Consumers Union  
Anthony Wright, Health Access  
Michelle Lilienfield and Kimberly Lewis, NHeLP  
Kathleen Hamilton, The Children's Partnership  
Judy Darnell, United Ways of California  
Elizabeth Landsberg, Western Center on Law & Poverty