

DEPARTMENT OF INSURANCE

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June 27, 2013

Chairwoman Diana Dooley and Board Members
Covered California
California Health Benefit Exchange
560 J Street, Suite 270
Sacramento, CA 95814

Re: Pediatric Dental Coverage and Exchange Action to Require Carriers to Remove it from Health Insurance Policies filed with their Regulators

Dear Chairwoman Dooley:

I write to reiterate my request that the Covered California Board reverse the decision made to prevent health insurers and health plans from including pediatric dental coverage within individual market products sold through the California Health Benefit Exchange.

Covered California's decision barring health insurers and health plans from including pediatric dental coverage in the health insurance policy is contrary to state and federal law and will reduce children's access to dental care.

Pediatric Dental coverage is an essential health benefit. Federal and state law provide that children's dental care should be covered when their parents purchase health insurance coverage for them for 2014. Coverage of pediatric dental care meets an important health care need and is also consistent with the coverage provided to children in the Medi-Cal program and the Healthy Families program.

While it is true that federal law prevents Covered California from rejecting as a Qualified Health Plan (QHP) a health insurance product that covers 9.5 of the 10 Essential Health Benefits (all, except pediatric dental), there is nothing in law that authorizes Covered California to require health insurers and plans to exclude pediatric dental coverage in order to be approved as a QHP by Covered California. In fact, to the contrary, state law makes clear that all 10 Essential Health Benefits, including pediatric dental, must be covered by individual health insurance policies and plans in 2014.

I ask that the Board of Covered California reconsider the decision to require that pediatric dental be separated out from the health insurance policies sold in the Exchange. Those health insurers and health plans that submitted products with pediatric dental coverage embedded in their health insurance policy form should be permitted to cover pediatric dental in their health insurance policies. We have learned that at least some health insurers or health plans that originally

submitted a product with pediatric dental coverage embedded only pulled out that coverage at Covered California's insistence and are now indicating that the cost of the stand alone or bundled product will be significantly higher than it would have been if pediatric dental coverage was embedded in their health insurance products – both in terms of the premium charged and due to the imposition of a separate out-of-pocket maximum.

It was only in the last couple of weeks that health insurers and health plans were required by Covered California to take the pediatric dental coverage out of their QHP submissions to Covered California, so it is not too late to reverse course. It is my understanding that as recently as last week health insurers were still working to come into compliance with your contracting provision to remove pediatric dental coverage from QHP submissions.

The best outcome for children and one that is consistent with state and federal law is for you to permit health insurers and health plans to embed the pediatric dental coverage in their health insurance policies. A child's overall health and well-being requires access to dental care to ensure oral health. That is why pediatric dental coverage is one of the essential health benefits specified in the Affordable Care Act and California's essential health benefits law passed by the Legislature and signed by Governor Brown last year.

We all are working hard to ensure the success of Covered California. One of the key measures of that success --children's access to care-- is jeopardized if Covered California continues to require dental coverage to be sold in a way that makes pediatric dental coverage more expensive and less likely to be included in the health insurance products offered through Covered California. All of the individual market and small group market products sold outside of Covered California will include pediatric dental coverage.

You still have the opportunity to make affordable pediatric dental coverage available through Covered California. I hope that you will announce to the health insurers and health plans that had pediatric dental embedded in their health insurance products that they can put it back in rather than requiring them to separate it out. This will help ensure that children whose parents purchase coverage through Covered California will have greater access to dental care that will improve both their oral health and their overall health and well-being.

Sincerely,

A handwritten signature in black ink that reads "Dave Jones". The signature is written in a cursive, flowing style.

DAVE JONES

Insurance Commissioner

cc: Peter Lee, Executive Director, Covered California