STORAGE NAME: h3487s1.hhs
DATE: April 20, 1998

HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
HEALTH AND HUMAN SERVICES APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 3487

RELATING TO: Dental Insurance Coverage

SPONSOR(S): Committee on Health Care Standards and Regulatory Reform and Representative Safley and Others

COMPANION BILL(S): SB 792(I)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) HEALTH CARE STANDARDS AND REGULATORY REFORM YEAS 8 NAYS 0
(2) HEALTH AND HUMAN SERVICES APPROPRIATIONS
(3)
(4)
(5)

I. SUMMARY:

HB 3487 provides that dental treatment or surgery shall be considered necessary when the dental condition is likely to result in a medical condition if left untreated. It provides that each individual, group, franchise, or blanket health insurance policy, each maintenance organization, each preferred provider, and each exclusive provider, shall cover charges for general anesthesia or hospitalization for dental care of certain persons.

The specific persons covered are: a minor under 8 years of age who is determined by a licensed dentist in consultation with the child's physician to require treatment in a hospital or ambulatory surgical center; or, any person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment. Authorization prior to hospitalization may be required.

These requirements do not apply to Medicare supplement, long-term care, disability, limited benefit, or specified disease policies.

It provides that the provisions of this act fulfill an important state interest in that they promote the relief, alleviation, and prevention of health, dental, or medical problems associated with inadequate dental care.

The bill will not have any fiscal impact on the state, local government, or the private sector in general. There is a potential increase in premiums for health care policies or health care contract premiums, according to the Agency for Health Care Administration.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

At the present time, coverage for dental care is not a mandated covered benefit of subscribers of a health maintenance organization (HMO), an exclusive provider organization, or a preferred provider.

Individual or group health care insurance policies do not normally cover dental care. There are specific policies sold that cover only dental care and not health care in general. Dental policies may cover dental care ranging from general maintenance of teeth, to more extensive coverage to include the purchase of dentures, oral surgery, or other types of care to the mouth and teeth.

Section 624.215, F.S., required a study assessing the social and financial implications of any legislation similar to HB 3487. A membership study conducted by the American Academy of Pediatric Dentistry, and information compiled by the Florida Dental Association, provided information relevant to utilization and potential pricing.

According to the Florida Dental Association, the vast majority of dental care can be done in the dental office setting. However, there exist a body of patients for whom routine approaches are inappropriate or ineffective. The body of patients for whom routine approaches are inappropriate are usually the young, the severely disabled, or a person with a special medical condition. Health insurance plans routinely deny hospitalization and general anesthesia benefits claiming the procedure is dental, and therefore excluded from the plan.

In a 1995 survey, the American Academy of Pediatric Dentists reported that when general anesthesia coverage for dental procedures was denied, 31% of the time treatment was deferred, resulting in an increase of dental disease, or lack of dental care.

According to the association, this bill would only provide coverage for hospitalization and general anesthesia associated with dental care for the young and special needs patients. The cost of dental procedures and other dental treatment would not be billed the various health care plans.

Four states currently provide similar coverage. Five states currently have similar legislation pending. In one state, Blue/Cross voluntarily provides such coverage.

B. EFFECT OF PROPOSED CHANGES:

provides that dental treatment or surgery shall be considered necessary when the dental condition is likely to result in a medical condition if left untreated.

Provides that each individual, group, franchise, or blanket health insurance policy, each maintenance organization, each preferred provider, and each exclusive provider, shall cover charges for general anesthesia or hospitalization for dental care of certain persons.

The specific persons covered are: a minor under 8 years of age who is determined by a licensed dentist in consultation with the child's physician who is licensed under either chapter 458 or 459 F.S., to require treatment in a hospital or ambulatory surgical center; or, any person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment. Authorization prior to hospitalization may be required.

These requirements do not apply to Medicare supplement, long-term care, disability, limited benefit, or specified disease policies.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

It mandates that the identified groups must provide coverage for charges for general anesthesia or hospitalization for dental care provided specific persons.

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

Any addition costs will be paid by those who benefit.

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/A

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Yes.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Creates s. 627.4295, and 627.65755, amends s. 641.31, 627.6515, 627.6471, and 627.6472, F.S.

E. SECTION-BY-SECTION RESEARCH:

Section 1. Creates s. 627.4295, F.S., to provide for each individual health insurance policy sold in Florida to include coverage for charges for general anesthesia or hospitalization for dental care for certain covered persons. The specific persons covered are: a minor under 8 years of age who is determined by a licensed dentist in consultation with the child's physician who is licensed under either chapter 458 or 459 F.S., to require treatment in a hospital or ambulatory surgical center; or, any person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment. Prior authorization may be required.

Section 2. Adds s.s. (6) to s. 627.6471, F.S., to provide for each health insurance contract entered into by a preferred provider to include coverage for charges for general anesthesia or hospitalization for dental care for certain covered persons. The specific persons covered are: a minor under 8 years of age who is determined by a licensed dentist in consultation with the child's physician who is licensed under either chapter 458 or 459 F.S., to require treatment in a hospital or ambulatory surgical center; or, any person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment. Prior authorization may be required.

Section 3. Adds s.s. (17) to s. 627.6472, F.S., to provide for each health insurance contract entered into by an exclusive provider to include coverage for charges for general anesthesia or hospitalization for dental care for certain covered persons. The specific persons covered are: a minor under 8 years of age who is determined by a licensed dentist in consultation with the child's physician who is licensed under either chapter 458 or 459 F.S., to require treatment in a hospital or ambulatory surgical center; or, any person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment. Prior authorization may be required.

Section 4. Adds s.s. (8) to s. 627.6515, F.S., to provide for each group, blanket, or franchise health insurance policy issued or delivered outside Florida, under

which a resident is provided coverage for general anesthesia or hospitalization services , shall include coverage for charges for general anesthesia or hospitalization for dental care for certain covered persons. The specific persons covered are: a minor under 8 years of age who is determined by a licensed dentist in consultation with the child's physician who is licensed under either chapter 458 or 459 F.S., to require treatment in a hospital or ambulatory surgical center; or, any person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment. Prior authorization may be required.

Section 5. Creates s. 627.65755, F.S., to provide for each group, blanket, or franchise health insurance policy sold in Florida to include coverage for charges for general anesthesia or hospitalization for dental care for certain covered persons. The specific persons covered are: a minor under 8 years of age who is determined by a licensed dentist in consultation with the child's physician who is licensed under either chapter 458 or 459 F.S., to require treatment in a hospital or ambulatory surgical center; or, any person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment. Prior authorization may be required.

Section 6. Adds s.s. (34) to s. 641.31, F.S., to provide for each health maintenance contract entered into by a health maintenance organization to include coverage for charges for general anesthesia or hospitalization for dental care for certain covered persons. The specific persons covered are: a minor under 8 years of age who is determined by a licensed dentist in consultation with the child's physician who is licensed under either chapter 458 or 459 F.S., to require treatment in a hospital or ambulatory surgical center; or, any person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment. Prior authorization may be required.

Section 7. Provides that the provisions of this act fulfill an important state interest in that they promote the relief, alleviation, and prevention of health, dental, or medical problems associated with inadequate dental care.

Section 8. Provides an effective date of October 1 of the year enacted, and that this act shall apply to any policy issued, written, or renewed, or contract entered into, on or after such date.

FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

F. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

   None

2. Recurring Effects:

   None.

3. Long Run Effects Other Than Normal Growth:

   None.

4. Total Revenues and Expenditures:

   None.

G. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

   None.

2. Recurring Effects:

   None.

3. Long Run Effects Other Than Normal Growth:

   None.

H. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

   No direct private sector costs. The bill has the potential to increase costs for insurers who may pass along the increases to consumers in the form of higher premiums. Increases, if any, can not be determined at this time.

2. Direct Private Sector Benefits:

   The bill provides more appropriate settings and treatment modalities for minors under 8 with the recommendation of their licensed physician, or a person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment.

3. Effects on Competition, Private Enterprise and Employment Markets:

   None.

I. FISCAL COMMENTS:

According to the Agency for Health Care Administration, the bill may increase insurers costs and subsequently may increase the subscribers premiums due to the mandated dental services for the identified group. They have not identified the potential cost increases, if any, that may occur. The Florida Dental Association in their resource packet, estimated that the increase costs per covered family would be only $2.19 per year.

III. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

IV. COMMENTS:

As noted above, this bill may increase insurers costs and subsequently may increase the subscribers premiums due to the mandated dental services for the identified group.

According to the Florida Dental Association resource packet, provided to the Committee, they estimate the increase costs per covered family would be approximately $2.19 per year.

Section 624.215, F.S., requires that any proposed legislation which mandates health benefit coverage, such as hospitalization for dental care, shall submit to the Agency for Health Care Administration and the legislative committee a report which assesses the social and financial impacts of the proposed coverage. It was the intent of section 624.215, F.S., to conduct a systematic review of proposed mandated or mandatorily offered health coverage and to

establish guidelines for such a review. This review will assist the Legislature in determining whether mandating a particular coverage is in the public interest.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

There were three amendments adopted to HB 3487 and the bill was voted a committee substitute. The amendments were as follows:

Amendment # 1- It was a strike everything amendment and changed the individuals who qualified for coverage. Previously, any minor, disabled person, or a person with a condition that justified use of a general anesthesia or hospitalization qualified. Under the amendment, the specific persons covered are a minor under 8 years of age who meet certain conditions, or any person who has one or more medical conditions that would create significant or undue medical risk for the individual in the course of delivery of any necessary dental treatment. In addition, a statement was included that dental treatment or surgery shall be considered necessary when the dental condition is likely to result in a medical condition if left untreated.

Amendment # 2 - It was a technical amendment that clarified the wording on several pages.
Amendment # 3 - It was technical and clarified that for minors under 8 years of age, it was in consultation with the child's physician who must be licensed under chapter 458 or 459, F.S.

VI. SIGNATURES:

COMMITTEE ON HEALTH CARE STANDARDS AND REGULATORY REFORM:

Prepared by:	Legislative Research Director:
Robert W. Coggins	Robert W. Coggins

AS REVISED BY THE COMMITTEE ON HEALTH AND HUMAN SERVICES APPROPRIATIONS:

Prepared by:	Legislative Research Director:
Eliza Hawkins	Lynn S. Dixon