



September 14, 2023

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

Re: AB 1048 (Wicks): Establishing Patient Protections and Plan Accountability in Dentistry – SIGNATURE REQUEST

Dear Governor Newsom:

The California Dental Association, representing 27,000 member dentists throughout the state, is proud to sponsor AB 1048 (Wicks), which would close longstanding loopholes in California’s commercial dental insurance market and establish necessary ACA-like patient protections. AB 1048 would prohibit dental insurance plans from imposing waiting periods on enrollees in large group plans, denying claims related to preexisting dental conditions and give DMHC or CDI the authority to conduct an annual rate review of dental insurance premiums.

Dental insurance plans currently operate in a “Wild West” environment with much less regulation than full-service health insurance plans. The implementation of the Affordable Care Act resulted in historic reform of health insurance; however, dental insurance was exempt from many of the ACA provisions. Regulatory exemptions allow dental plans to continue restricting patient benefits with arbitrary waiting periods, deny claims due to “preexisting dental conditions” and increase patient premiums without increasing benefits or value. This is particularly important, as out-of-pocket expenses for dental services are rising — 16% in 2021 alone.¹ This shift of dental costs hurts consumers, as a recently published California Health Care Foundation survey found that 38% of Californians said that either they or a family member have skipped dental care due to cost.²

AB 1048 will establish patient protections in dental insurance plans, bringing them more in line with the other types of insurance. While prohibiting waiting periods and denials based on preexisting conditions might be new to dental plans, these provisions have existed within medical insurance plans for over a decade due to the ACA. Additionally, dental plans are not currently subject to a rate review process, while many other types of insurance — such as medical, automobile and pet insurance products — in California currently undergo rate review processes. AB 1048 would give authority to the appropriate state regulator (Department of Managed Health Care or California Department of Insurance) to conduct a rate review of dental insurance premiums. Creating similar

¹ Health Affairs. National Health Care Spending in 2021: Decline in Federal Spending Outweighs Greater Use of Care. January 2023. www.healthaffairs.org/doi/10.1377/hlthaff.2022.01397.

² California Health Care Foundation. The 2023 CHCF California Health Policy Survey. February 2023. <https://www.chcf.org/publication/2023-chcf-california-health-policy-survey/>.

processes for dental plans that other types of insurance already have will further ensure that consumers are getting value out of the premiums they pay.

AB 1048 has had widespread bipartisan support in both the Assembly and Senate. To address concerns raised about the increase of patient premiums by eliminating waiting periods in a price sensitive market, the scope of the bill was narrowed significantly in the Assembly Health Committee to only eliminate waiting periods in the large group market (employers with 100+ employees) which eliminated significant premium increases as identified in the CHBRP analysis. Additionally, DMHC and CDI provided technical assistance to ensure the provisions of the bill can be appropriately implemented. Negotiations with the dental plans included a delayed implementation of January 1, 2025 to ensure plans can be in compliance with the provisions of the bill, along with other technical amendments.

Thank you for your consideration of AB 1048. This bill is the first step in closing longstanding loopholes and ensuring consumers are receiving real, meaningful benefits from their dental insurance. **CDA respectfully requests your signature on the bill when it is before you.** If you have any questions or concerns about our position, please contact Jessica Moran at Jessica.Moran@cda.org.

Sincerely,



Jessica Moran, MPH
Legislative Advocate

Cc: Angela Pontes, Deputy Legislative Secretary, Office of Governor Newsom
Christin Heman, Deputy Director of Legislative Affairs, Department of Managed Health Care
Josephine Figueroa, Chief Deputy Legislative Director, Department of Insurance
Assemblymember Buffy Wicks