

State Legislation Nullifies Non-Covered Dental Discounts

Sixteen states have recently passed legislation blocking insurance companies from capping maximum rates on non-covered dental procedures, and will no longer require providers to offer pre-determined discounts on services that are *not* covered under a members' dental plan.

All dental carriers in these states can no longer offer discounts on non-covered dental services (services not included in a benefit plan and services that are included, but due to contractual limitations, are not paid). The legislation allows dentists to charge up to their usual and customary fees that apply to most private pay patients for services not covered by a benefit plan. Typically, usual and customary fees will produce higher out-of-pocket costs for consumers in absence of network "caps" formerly provided by dental carriers. Services that are covered under insured products will remain eligible for

network discounts and are not affected.

Below are two benefit scenarios to help explain how this may affect your employees:

- In the past, for plans that did not include orthodontia coverage, the member would be able to receive a discount when utilizing a network provider. In those states that have passed this legislation, dental carriers can no longer offer a discount for those services.
- In the past, employees that met their annual maximum, would have been allowed to still receive a discount for services rendered after the maximum was met when utilizing a network provider. In those states that have passed this legislation, dental carriers can no longer offer a discount for those services.

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States that have passed this legislation with the corresponding effective dates are:

Alaska (9/13/2010)	Louisiana (01/01/2011)	Oklahoma (11/01/2010)
Arizona (01/01/2011)	California (01/01/2011)	Oregon (03/18/2010)
Idaho (01/01/2011)	Mississippi (07/01/2010)	Rhode Island (06/18/2009)
Iowa (07/28/2010)	Nebraska (04/12/2010)	South Dakota (03/29/2010)
Kansas (07/01/2010)	N. Carolina (06/09/2010)	Virginia (07/01/2010)
		Washington (06/10/2010)

Will an Individual Mandate Solve the Uninsured Problem?

Some policy experts increasingly view mandated health insurance coverage—which requires individuals to buy health coverage or pay a fine—as a solution to the problem of the uninsured. Studies have consistently shown that the number one reason people do not have health insurance is they can't afford it. Mandating health

insurance treats a symptom—the uninsured—and not the problem of high health insurance premiums. In Massachusetts, the only state to impose and individual mandate, the twin mid-1990s 'reforms' of guaranteed issue (i.e., insurers must accept every applicant) and modified com-

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munity rating (i.e., charging the same rates regardless of the applicant's health) drove up individual policy rates so that only the wealthy could afford coverage.

Massachusetts reform has done nothing to lower the cost of health insurance; rather it hides the cost by subsidizing coverage for targeted populations. And while Massachusetts may be an extreme example, the federal government has chosen to follow its lead by:

- Requiring guaranteed issue and community rating
- Making it difficult for insurance companies to offer affordable policies with limited benefits
- Requiring mandated benefits that make insurance more comprehensive, but also more expensive

In the 1990s, Kentucky passed many of the same sweeping reforms as Massachusetts, resulting in similarly unaffordable coverage. While Kentucky tried more government solutions at first—even going so far as to allow people to buy into the state employees' plan—reason eventually prevailed. Legislators repealed many of the so-called reforms, and health insurance is once again available and affordable in Kentucky.

Besides imposing policies that increase insurance prices, states often

make it difficult for qualified people to enroll in government programs. Medicaid and the State Children's Health Insurance Program are notoriously bureaucratic and limit enrollment through a blizzard of paperwork.

Even programs that are supposed to help people find or keep health coverage can inadvertently encourage them to be uninsured for short periods of time. COBRA—which allows workers to continue their employer coverage if they leave their job—allows employees 60 days to backdate their coverage if it's needed, a policy that is easily gamed. HIPAA—which guarantees workers who lose their coverage the right to individual health insurance (or high risk pool coverage) — allows individuals to be uninsured for 63 days while still treating them as continuously insured.

We agree that everyone should have access to health insurance. We agree that health insurance should be more affordable. But mandating coverage is a reactive, government solution that won't solve either problem.

Rather than mandating coverage, Congress could dramatically reduce the number of uninsured with far less money by enacting policies that encourage innovative plan designs, subsidize low income families, create tax fairness for all policies and establish a well-functioning safety net.

Medical Benefit 1/15/2011

Cancer Costs to Rise to \$159 Billion in 2020

The cost of treating cancer in the United States will rise 27% to at least \$158 billion by 2020, assuming treatment costs and survival rates remain stable, government researchers said recently.

If new diagnostic tests and cancer treatments continue to grow more costly, it could cost \$207 billion a year to treat cancer in the United States, researchers from the National Cancer Institute report in the *Journal of the National Cancer Institute*.

They said even though overall rates of new cancer diagnoses are slowing in the general population, the number of people diagnosed with cancer will keep rising as the number of elderly Ameri-

cans jumps from 40 million in 2009 to 70 million in 2030.

Here are some projections about the cost of treating cancer in the United States in the next decade:

- In 2010, breast cancer was the most costly to treat at an estimated \$16.5 billion, followed by colorectal cancer at \$14 billion, lymphoma at \$12 billion, lung cancer at \$12 billion and prostate cancer at \$12 billion.
- If cancer incidence and survival rates remain stable, the number of cancer survivors in 2020 will increase by 31% to about 18.1 million.

Reuters 1/13/2011

Facts & Figures

- Information on prescription and over-the-counter drugs, including safety alerts and generic equivalents, is available at www.fda.gov/drugs. (Click on Drugs@FDA under Spotlight on the right hand side of the page.)
- Radon, a natural radioactive gas that you can't see, smell, or taste, is the leading cause of lung cancer among nonsmokers and second leading cause of lung cancer overall. Go to www.epa.gov/radon to learn more.
- An April 2010 survey by UnitedHealthcare and VolunteerMatch found that 68% of those who volunteered in the past year reported that volunteering made them feel physically healthier.
- When giving children liquid medicine, avoid using kitchen tablespoons or teaspoons because they are usually not accurate. Never call medicine, "candy" to coax children to take it.