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April 17, 2018

The Honorable Ed Hernandez  
Chair, Senate Health Committee  
State Capitol Room #2191  
Sacramento, CA 95814

RE: OPPOSE: SB 1008 (Skinner), Health Insurance: Dental Services; Medical Loss Ratios; Out-of-Network Coverage Information; Disclosures

Dear Chairman Hernandez,

The San Francisco Chamber of Commerce, representing the interests of thousands of local businesses, opposes SB 1008, which sets minimum dental loss ratios (DLR) for individual, small group, and large group dental plans. Applying minimum loss ratios similar to those imposed by the Affordable Care Act (ACA) will decrease access to affordable dental benefits for those in California who need them most.

The DLR provision in SB 1008 will increase dental coverage premiums, causing many Californians to drop or lose their dental coverage. To avoid premium increases, some businesses will self-insure, removing consumer protections afforded by state regulations. The bill may also lead to consolidation of dental plans, reducing consumer choice.

Congress exempted dental plans from the loss ratio requirements in the ACA because they don't work for low-premium benefits like dental care. Such limits do not provide dental carriers enough to fund even basic services. This bill imposes additional administrative costs on dental plan providers, which will further increase premiums paid for by consumers.

The San Francisco Chamber of Commerce believes SB 1008 may make many dental plans in California unaffordable, and therefore we respectfully oppose it.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Lazarus", with a long horizontal flourish extending to the right.

Jim Lazarus  
Senior Vice President, Public Policy

cc: The Honorable Nancy Skinner, Member California State Senate; Senate Health Committee Members