KDA Kentucky Dental Association

Support HB 370 - Patient Transparency in Dental Benefits

Patients deserve dental insurance that protects them, removes financial and coverage uncertainties and prohibits companies from misleading patients about what is covered or how to properly use coverage. This includes reforms to establish clear, simple and transparent insurance processes. The National Council of Insurance Legislators (NCOIL) adopted the NCOIL Transparency in Dental Benefits Contracting Model Act (Model). This model bill focuses on the following reforms: Network Leasing, Virtual Credit Cards and Prior Authorization that would help patients better understand the dental coverage they have and help improve oral health by maximizing the impact of these benefits. In addition, patients and providers need a clearer definition of non-covered services and assignment of benefits.

PRIOR AUTHORIZATION

Insurers sometimes deny or reduce payment for care they previously authorized through a "prior authorization." When authorized care is denied, this can result in an emergency financial situation for the patient and provider, increasing stress and creating an unnecessary barrier to future care due to lack of trust in the insurance carriers.

➤ **SOLUTION** Prohibits dental benefit plans from denying any claim subsequently submitted by a dentist for procedures specifically included in a prior authorization unless an exception applies for each procedure denied.

NETWORK LEASING

Insurance carriers can lease or rent the "in-network" relationship they have established with a provider without the provider's consent or knowledge. This erodes patient–provider trust, which can lead to assumptions in treatment plans and costs when the provider has no idea a patient is moving in or out of a network.

➤ **SOLUTION** Permits a contracting entity to grant a third-party access to a provider network contract, or a provider's dental services or contractual discounts provided pursuant to a provider network contract if certain requirements are met.

VIRTUAL CREDIT CARDS

Increasingly, insurance carriers are requiring providers to accept payment through a virtual credit card which includes a per-transaction fee of as much as 5%. In some cases, insurance carriers even share in the revenue generated from the fees providers must pay to receive funds.

➤ **SOLUTION** Prohibits dental benefit plans from restricting the methods of payment from the dental benefit plans or its vendor or the health maintenance organization to the dentist in which the only acceptable payment method is a credit card payment.

Bill# - HB 370
Sponsor: Rep Derek Lewis

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ASSIGNMENT OF BENEFITS

Some patients cannot see their dentist of choice because some insurance companies do not directly pay the non-participating provider and patients cannot afford to pay for services upfront. Dentists who do not require advanced payment may never be paid for services rendered. This insurance practice unfairly inhibits patients from seeking care from their dentist of choice, even though they are paying for a benefit that should be applied to any provider, regardless of whether or not the provider participates with the patient's insurance plan.

➤ **SOLUTION** Permits the Assignment of Benefits by a patient to ensure that benefit plans are treated as purchased products belonging to the patient. This would help alleviate problems some patients face based on remote geography and situations such as divorce or separation. By requiring insurers to directly pay dental providers for patients' treatment, patients—not the carrier—will have the right to decide where to direct their benefits.

NON-COVERED SERVICES

The vast majority of dentists participate with one or more dental networks. With few exceptions, it has always been understood that once a dentist participates in a dental network, the dentist is obligated to accept that network's predetermined or negotiated fee schedule as payment in full. The participating dentist is contractually obligated to write off any amount that exceeds the network's allowable fee schedule, regardless of the amount. With the financial impact of today's economy and increasing overhead costs, many dentists have questioned why they should be restricted to network fees for services that are not covered by dental plans.

➤ **SOLUTION** Permits the provider to charge his or her usual and customary fee when a service is not covered under the patient's insurance policy. This legislation would prohibit dental benefit plans from interfering when a contracted dentist agrees to furnish a non-plan service privately to a patient who knows the service is not covered by his or her plan.