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H.734

Introduced by Representatives Dickinson of St. Albans Town, Bancroft of
Westford, Browning of Arlington, Corcoran of Bennington,
Fegard of Berkshire, Higley of Lowell, Kimbell of Woodstock,
LaClair of Barre Town, and Marcotte of Coventry

Referred to Committee on

Date:

Subject: Health; dental insurance; dentists

Statement of purpose of bill as introduced: This bill proposes to prohibit
dental insurance plans from imposing fee schedules on dentists for dental
services that are not otherwise covered under the plan. It would also prohibit
these plans from placing restrictions on allowable methods of payment in their
contracts with dentists such that the only acceptable method is a credit card
payment.

An act relating to prohibiting certain provisions in dental insurance
contracts with dentists

It is hereby enacted by the General Assembly of the State of Vermont:

~~Sec. 1. 8 V.S.A. chapter 110 is added to read:~~

CHAPTER 110. DENTAL INSURANCE

~~§ 4121. DEFINITIONS~~

1 As used in this chapter:

2 (1) “Covered individual” means an individual covered under a dental
3 insurance plan.

4 (2) “Dental insurance plan” means a stand-alone dental plan or policy
5 that provides coverage for dental services apart from a health insurance plan.

6 (3) “Dental insurer” means any health or dental insurance company,
7 including a nonprofit dental service corporation, that offers a dental insurance
8 plan for sale.

9 (4) “Dentist” means an individual licensed to practice dentistry under
10 26 V.S.A. chapter 12.

11 (5) “Health insurance plan” means any individual or group health
12 insurance policy, any hospital or medical service corporation or health
13 maintenance organization subscriber contract, or any other health benefit plan
14 offered, issued, or renewed for any person in this State by a health insurer, as
15 defined in 18 V.S.A. § 9402. The term does not include benefit plans
16 providing coverage for specific disease or other limited benefit coverage.

17 (6) “Noncovered service” means a dental care service that is not
18 reimbursable under a covered individual’s dental insurance plan even absent a
19 contractual limitation such as a deductible, co-payment, coinsurance, waiting
20 period, annual or lifetime maximum, frequency limitation, or alternative
21 benefit payment.

1 § 4122. FEES FOR NONCOVERED DENTAL SERVICES

2 (a) A dental insurance plan, contract, or participating provider agreement
3 with a dentist shall not directly or indirectly require a dentist to provide
4 noncovered services to a covered individual at a fee established by or subject
5 to the approval of a dental insurance plan.

6 (b) A dental insurer or third-party administrator shall not make available
7 dentists within its provider network to a dental insurance plan that requires a
8 dentist to provide noncovered services to a covered individual at a fee
9 established by or subject to the approval of a dental insurance plan.

10 (c) The Commissioner of Financial Regulation shall enforce the provisions
11 of this section pursuant to the Commissioner's authority under this title.

12 § 4123. PAYMENT FOR DENTAL SERVICES

13 (a) As used in this section, "credit card payment" means a type of
14 electronic funds transfer in which a dental insurance plan or dental insurer or
15 its contracted vendor issues a single-use series of numbers associated with
16 payment for dental services delivered by a dentist and chargeable for a
17 predetermined dollar amount, in which the dentist is responsible for processing
18 the payment using a credit card terminal or Internet portal. The term includes
19 virtual or online credit card payments in which no physical credit card is
20 presented to the dentist and the single-use credit card number expires upon
21 payment processing.

1 ~~(b) A dental insurance plan, contract, or participating provider agreement~~
2 with a dentist shall not contain restrictions on methods of payment from the
3 dental insurer or its third party administrator to the dentist in which the only
4 acceptable payment method is a credit card payment.

5 Sec. 2. EFFECTIVE DATE

6 This act shall take effect on January 1, 2021 and shall apply to all contracts
7 and participating provider agreements between a dental insurer or third-party
8 administrator and a dentist that are entered into on or after that date and to all
9 dental insurance plans issued on and after January 1, 2021 on such date as a
10 dental insurer offers, issues, or renews the plan, but in no event later than
11 January 1, 2022.

Sec. 1. 8 V.S.A. chapter 110 is added to read:

CHAPTER 110. DENTAL INSURANCE

§ 4121. DEFINITIONS

As used in this chapter:

(1) "Covered individual" means an individual covered under a dental insurance plan or a health insurance plan.

(2) "Covered service" means a dental service for which reimbursement is available under a covered individual's dental insurance plan or health insurance plan or for which reimbursement would be available but for the application of contractual limitations such as deductibles, co-payments, coinsurance, waiting periods, annual or lifetime maximums, frequency limitations, alternative benefit payments, or other limitations.

(3) "Dental insurance plan" means a stand-alone dental plan or policy that provides coverage for dental services apart from a health insurance plan.

(4) "Dental insurer" means any health or dental insurance company, including a nonprofit dental service corporation, that offers a dental insurance plan for sale.

(5) “Dentist” means an individual licensed to practice dentistry under 26 V.S.A. chapter 12.

(6) “Health insurer” has the same meaning as in 18 V.S.A. § 9402.

(7) “Health insurance plan” means any individual or group health insurance policy, any hospital or medical service corporation or health maintenance organization subscriber contract, or any other health benefit plan offered, issued, or renewed for any person in this State by a health insurer. The term does not include benefit plans providing coverage for specific disease or other limited benefit coverage.

§ 4122. FEES FOR COVERED DENTAL SERVICES

(a) No dental insurer, health insurer, or other similar entity that covers dental services and is subject to regulation by the Department of Financial Regulation, and no contract or participating provider agreement with a dentist, shall require, directly or indirectly, that a dentist who is a participating provider provide dental services to a covered individual at a fee set by, or subject to the approval of, the insurer or other regulated entity unless the dental services are covered services.

(b) No person providing third-party administrator services shall make available to any customers a plan that sets dental fees for providers in its provider network for any dental services other than covered services.

(c) Fees for covered services shall be set in good faith and shall not be nominal.

(d) The Commissioner of Financial Regulation shall enforce the provisions of this section pursuant to the Commissioner’s authority under this title.

§ 4123. PAYMENT FOR DENTAL SERVICES

(a) As used in this section, “credit card payment” means a type of electronic funds transfer in which a dental insurance plan or dental insurer or its contracted vendor issues a single-use series of numbers associated with payment for dental services delivered by a dentist and chargeable for a predetermined dollar amount, in which the dentist is responsible for processing the payment using a credit card terminal or Internet portal. The term includes virtual or online credit card payments in which no physical credit card is presented to the dentist and the single-use credit card number expires upon payment processing.

(b) A dental insurance plan, contract, or participating provider agreement with a dentist shall not contain restrictions on methods of payment from the dental insurer or its third-party administrator to the dentist in which the only acceptable payment method is a credit card payment.

Sec. 2. EFFECTIVE DATE

This act shall take effect on January 1, 2021 and shall apply to all contracts and participating provider agreements between a dental insurer or third-party administrator and a dentist that are entered into on or after that date and to all dental insurance plans issued on and after January 1, 2021 on such date as a dental insurer offers, issues, or renews the plan, but in no event later than January 1, 2022.