

Dental Care Bill of Rights

HB 1154 – Dental Insurance Reform

Prior Authorization - Claim Payments Guarantee

- **What does this provision do?** This language requires insurance companies to stand by their prior authorization of coverage determination. This provision also clarifies the difference between a prior authorization and a pre-treatment estimate, and does not affect insurer's abilities to use pre-treatment estimates.
- **What is a prior authorization?** A prior authorization is essentially a pre-submitted claim for treatment, usually with diagnostic notes, X-rays, or specific procedure codes reflecting prescribed care. The prior authorization allows both the patient and the dentist to know the charges that will be covered under the patient's insurance coverage.
- **How does fixing this problem help patients?** Patients will be able to rely on the prior authorization to confirm which portions of and at what level treatment will be covered, and what their out-of-pocket costs will be.

Virtual Credit Card - Fairness in Claim Payment/Transaction Fees

- **What does this provision do?** This language simply ensures that insurance companies cannot require a provider to accept one form of payment such as electronic funds transfer (EFT) or virtual credit cards.
- **Why is this an issue for dental offices?** Like any other credit card transaction, there is typically a processing fee associated with virtual credit card payments, which can range from 2.5-5% of the underlying charge. This means that whenever a provider is reimbursed by an insurance company, 2.5-5% of the payment is automatically subtracted. For example, if a practice bills \$1,000,000/year and only receives virtual credit card reimbursements, that is an automatic expense of \$25,000-50,000/year for the dental practice.
- **How does this help patients?** If the dental office is required to accept virtual credit card payments, the office may be forced to offset the processing fees by passing the cost on to patients.
- **Does the bill prohibit insurance companies from reimbursing providers with virtual credit cards?** No. The bill simply says that an insurance company cannot require a provider to accept a virtual credit card as the only form of payment. In fact, federal rules currently say a health plan cannot require a provider to accept virtual credit card payments. (See 45 CFR 162.925(a).)

Network Leasing - Fair and Transparent Network Contracting

- **What problem does this provision address?** This language allows dentists the opportunity to choose not to participate in rental insurance networks at the time a contract is executed and upon that contract's renewal. It also requires any third parties who are granted access to the contract to comply with the contract's original terms.



Physical Address: 1720 Burnt Boat Drive, Suite 201
Mailing Address: P.O. Box 1332, Bismarck, ND 58502-1332
T: 701.223.8870

- **Why are rental networks a problem?** Some insurance carriers rent their dental provider networks to other insurance companies without the dentist's knowledge or authorization. This results in dentists unknowingly having to comply with terms as an "in-network" provider with other carriers' networks – even though they have never directly engaged in negotiations or agreed to the new carrier's terms.
- **How does fixing this problem help patients?** Rental networks create confusion for patients who are unaware of their out-of-pocket costs. Frequently, consumers' dental benefits are restricted to "in-network" providers, or patients may see increased benefits for staying "in-network." When dental insurance carriers use this practice, a dental office is unaware of its "in-network" status until the service has been provided, a claim submitted, and an EOB is received. It is only at this point that both the patient and the dentist know what is covered and what the out-of-pocket expense will be. This leads to misunderstandings between the patient and the dental office and can undermine the doctor/patient relationship.