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

Dental Care Bill of Rights

HB 1154 – Dental Insurance Reform

1. Retroactive Denial – Fairness in Claim Payment Refund Requests

- Dental insurers audit their claim payment/adjudication activities before and after payments are made to dentists to ensure accuracy and efficiency. Sometimes, insurers require dentists to repay claim payments when the insurers discover they paid a claim mistakenly. While it is appropriate for plans to audit payments for errors and adjust accordingly, it is unreasonable to ask dentists to refund payments several years after plans make erroneous payments.

- The value of *Retroactive Denial* laws is that they establish a reasonable statute of limitations on insurers' refund requests, similar to the existing time limitations for dentists to file claims for covered services they have provided.

- Under existing *Retroactive Denial* laws, dental insurers are limited to a reasonable time period (typically 6 - 12 months) where they can request refunds from dentists when they have paid claims in error.

2. Prior Authorization – Claim Payments Guarantee

- Insurers occasionally issue a "prior authorization" that details for both the patient and the dentist how much the insurer will pay for a treatment plan, which helps reduce confusion and helps patients know what to expect financially.

- Insurers sometimes deny payment for the care they authorized, or reduce the amount they promised to pay for the services. When authorized care is denied, this can result in an emergency financial situation for the patient and doctor, increasing stress and throwing up an unnecessary barrier to future care due to lack of trust in the insurance carriers.

- *Prior Authorization* laws hold dental insurers to paying what they promised in the authorization.

3. Virtual Credit Card – Fairness in Claim Payment/Transaction Fees

- There is a growing trend for insurance carriers to pay a claim by issuing a credit or debit card rather than a paper check or direct deposit. Typically, the transaction involves no physical card, but rather a series of numbers the dentist enters into a website or terminal in order to complete the claims payment transaction.

Continued→

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

- The virtual credit card payment method includes a per transaction fee of as much as 5% - to be paid *by* dentists in order to collect the claim payment. In some cases, the insurance carrier offers no other alternative for paying its claims, and may even share in the revenue generated from the fees the dentists must pay to receive the funds.

- The value of *Virtual Credit Card* laws is that they do not prohibit this payment method, but simply inform dentists of other payment options and allow dentists to opt for a different payment method.

4. Network Leasing – Fair and Transparent Network Contracting

- Dental insurers occasionally lease or rent the "in-network" relationship they have established with a dentist to another entity. This can happen without the dentist's consent or knowledge. As the contract a dentist signs with a carrier is leased to other entities, which can happen years after the initial contract is signed, it can obligate the dentist to deeply discounted fees for a larger patient base than anticipated. This behind-the-scenes approach to building networks erodes patient and dentist trust.

- *Network Leasing* laws expand transparency before networks are leased and provide an opportunity for dentists to accept or refuse the contracts to which they would be obliged.

5. Medical Loss Ratio (MLR) – Transparency of Patient Premiums in Dental Care

- The federal government requires major medical plans pay certain percentages of the collected premiums for medical care vs. administrative costs. For example, large group plans must spend at least 85% of their collected premiums on care delivered to patients and no more than 15% can be spent on administrative costs and profit.

- No such requirement exists for dental plans which are considered "excepted benefits."

- Patients seeking to maximize the value of the coverage they purchase would benefit from knowing how much of the carriers' premiums are invested in the care they receive. State laws establishing a reporting requirement will ensure that dental plans are more transparent to the people they serve.