

HOUSE RESEARCH

Bill Summary

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Authors: Davids

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Analyst: Tom Pender (651) 296-1885

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Overview

This bill amends laws enacted in 2000 that regulate provider agreements between dental insurers and dentists.

- 1** **Dental plan contract.** Defines this term as an agreement between a dentist or dental clinic and a dental insurer or third-party administrator ("TPA") under which the dentist or dental clinic provides dental care to enrollees of the insurer or TPA.
- 2** **Dental plan contract period.** Prohibits a dental plan contract of longer than three years. Permits amendment within a contract period only with written consent of the dentist or dental clinic. Requires that a proposed renewal contract provided to a dentist or dental clinic be accompanied by a disclosure by the dental organization of all significant changes in terms or reimbursement from the previous contract.
- 3** **Contract amendment.** Requires that a dental organization proposing a change in an existing dental plan agreement disclose it to the dentist or dental clinic at least 120 days before it goes into effect, but this does not apply to a proposed change in the fee schedule. Prohibits a dental organization from changing a dental plan agreement or imposing an additional obligation on a dentist or dental clinic unless the dental organization complies with this subdivision.
- 4** **Provider audits.** This section deals with audits by dental organizations of contract compliance of dentists and dental clinics. Specifies the requirements an audit has to meet to permit a dental organization to recover or withhold payments from a dentist or dental clinic. Requires that an audit use a practicing dentist to review charts. Requires a dental organization that finds evidence that it made payments to a dentist for noncovered services, to issue new explanation of benefits ("EOB") forms to notify patients that they may be responsible for payment of the noncovered services. Requires payments recovered as a result of a provider audit to be returned to the plan sponsor. Specifies the procedural requirements for the provider audit process. Defines "fraud" in the context of a provider audit.
- 5** **Payment of covered services.** Prohibits a dental plan or dental provider agreement from specifying fees charged to patients for services not covered by the dental provider agreement. Prohibits third-party administrators from making its providers available to a dental plan that sets fees for noncovered

services.

- 6** **Effective date.** Makes all sections effective August 1, 2011, and apply to agreements entered into on or after that date.