ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

STATEMENT TO

[First Reprint]
SENATE, No. 765

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 11, 2023

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Senate Bill No. 765 (1R).

As amended, the bill prohibits certain provisions in agreements between insurance carriers and participating dentists.

Specifically, the bill prohibits agreements between a carrier and participating dentist from including a provision prohibiting a participating dentist from collecting an amount owed from a covered person for a covered procedure or service, if the participating dentist:

(1) notifies the covered person prior to performing the covered procedure or service that the dentist may not be paid by the carrier and that the covered person is responsible for payment of the covered procedure or service;

(2) provides the covered person an explanation, in writing, of the benefits and material cost differences of suitable alternative options for the covered procedure or service, and that the alternative selected may not be covered by the plan, in advance of it being performed;

(3) obtains the covered person's consent, in writing, to the performance of the covered procedure or service and the participating dentist makes the written consent available to the carrier upon request; and

(4) accepts as payment in full the amount the participating dentist would have accepted from the carrier under the covered person's dental plan, including bundling.

Under the bill, a carrier is prohibited from changing a dentist's submitted procedure codes through down-coding or bundling unless the carrier undertakes a professional review of the submitted charges and supporting clinical information and determines that the original coding was incorrect, fragmented, or un-bundled as:

(1) provided for in the Current Dental Terminology Code of Dental Procedures and Nomenclature; or

(2) consistent with the generally acceptable standards of care in the practice of dentistry.

The provisions of the bill do not apply in cases where the service performed by the participating dentist is required as a result of a prior service by the dentist that was inconsistent with the quality of care in the practice of dentistry as determined by a licensed dentist.

A carrier, under the bill, may base its benefit reimbursement on a lower acceptable cost procedure, material, or test where an alternative, and less costly, means is available and generally accepted for purposes of a benefit payment, and is based on the participation agreement the carrier and participating dentist. Nothing in the bill, however, shall preclude a carrier from covering procedures or services that are actually performed by a participating dentist and is otherwise eligible for benefit.

As amended and reported by the committee, Senate Bill No. 765 (1R) is identical to Assembly Bill No. A3246, as also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) clarify that the bill prohibits agreements between a carrier and participating dentist from including provisions prohibiting a participating dentist from collecting an amount owed from a covered person for a covered procedure or service;

(2) provide that the bill will not allow covered persons to be billed for services or supplies that are covered, or for which benefits are payable, under the covered person's dental plan, except for copayment, coinsurance, or deductible amounts set forth in the dental plan;

(4) prohibit a carrier from changing a dentist's submitted procedure codes through down-coding or bundling unless the carrier undertakes a professional review of the submitted charges and supporting clinical information and determines that the original coding was incorrectly fragmented or un-bundled as:

(a) provided for in the Current Dental Terminology Code of Dental Procedures and Nomenclature; or

(b) consistent with the generally acceptable standards of care in the practice of dentistry;

(5) allow, with certain conditions, a carrier to base its benefit reimbursement on a lower acceptable cost procedure, material, or test;

(6) define the term "bundling" to mean the practice of combining distinct dental procedures or components of a more extensive procedure into one procedure for billing purposes, but does not include the denial or adjustment of claims for covered services in accordance with the covered person's dental plan;

(7) clarify the terms " covered procedure or service" and "down-coding;" and

(8) make certain technical changes.