

3/2/95 Do Pass
S-3/2/95 Commerce
S. 4/5/95 Do Pass
S-4/13/95 Placed on Unfinished
Business Calendar

FEB 7 1995

HOUSE FILE 139
BY BLODGETT

HUMAN RESOURCES

Passed House, Date ^(P. 794) 3-16-95 Passed Senate, Date ^(P. 1238) 4-17-95
Vote: Ayes 93 Nays 0 Vote: Ayes 49 Nays 0
Approved April 25, 1995

A BILL FOR

1 An Act relating to the disclosure of the methods used by
2 insurance companies and nonprofit health service corporations
3 to determine the usual and customary fees for dental care
4 benefit coverages.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 139

1 Section 1. NEW SECTION. 514C.3A DENTAL COVERAGE
2 REIMBURSEMENT RATES.

3 1. An individual or group policy of accident or health
4 insurance or individual or group hospital or health care
5 service contract issued pursuant to chapter 509, 514, or 514A,
6 and delivered, amended, or renewed on or after July 1, 1996,
7 that provides dental care benefits with a base payment for
8 those benefits determined upon a usual and customary fee
9 charged by licensed dentists, shall disclose all of the
10 following:

11 a. The frequency of the determination of the usual and
12 customary fee.

13 b. A general description of the methodology used to deter-
14 mine usual and customary fees, including geographic
15 considerations.

16 c. The percentile that determines the maximum benefit that
17 the insurer or nonprofit health service corporation will pay
18 for any dental procedure, if the usual and customary fee is
19 determined by taking a sample of fees submitted on actual
20 claims from licensed dentists and then determining the benefit
21 by selecting a percentile of those fees.

22 2. The disclosure shall be provided upon request to all
23 group and individual policyholders and subscribers. All
24 proposals for dental care benefits shall inform the
25 prospective policyholder or subscriber that information
26 regarding usual and customary fee determinations is available
27 from the insurer or nonprofit health service corporation. All
28 employee benefit descriptions or supplemental documents shall
29 notify the employee that information regarding reimbursement
30 rates is available from the employer.

31 EXPLANATION

32 This bill requires insurance companies and nonprofit health
33 service corporations that issue individual or group policies
34 of accident or health insurance or hospital or health care
35 service contracts, to disclose the methods used to determine

1 usual and customary fees for all dental care benefit coverages
2 written in the state.

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HOUSE FILE 139

AN ACT

RELATING TO THE DISCLOSURE OF THE METHODS USED BY INSURANCE COMPANIES AND NONPROFIT HEALTH SERVICE CORPORATIONS TO DETERMINE THE USUAL AND CUSTOMARY FEES FOR DENTAL CARE BENEFIT COVERAGES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 514C.3A DENTAL COVERAGE REIMBURSEMENT RATES.

1. An individual or group policy of accident or health insurance or individual or group hospital or health care service contract issued pursuant to chapter 509, 514, or 514A, and delivered, amended, or renewed on or after July 1, 1996, that provides dental care benefits with a base payment for those benefits determined upon a usual and customary fee charged by licensed dentists, shall disclose all of the following:

- a. The frequency of the determination of the usual and customary fee.
- b. A general description of the methodology used to determine usual and customary fees, including geographic considerations.
- c. The percentile that determines the maximum benefit that the insurer or nonprofit health service corporation will pay for any dental procedure, if the usual and customary fee is determined by taking a sample of fees submitted on actual claims from licensed dentists and then determining the benefit by selecting a percentile of those fees.

2. The disclosure shall be provided upon request to all group and individual policyholders and subscribers. All proposals for dental care benefits shall inform the prospective policyholder or subscriber that information

regarding usual and customary fee determinations is available from the insurer or nonprofit health service corporation. All employee benefit descriptions or supplemental documents shall notify the employee that information regarding reimbursement rates is available from the employer.

RON J. CORBETT
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 139, Seventy-sixth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved April 25, 1995

TERRY E. BRANSTAD
Governor