

**Senate File 2384 - Introduced**

SENATE FILE 2384  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3137)

**A BILL FOR**

1 An Act relating to contracts and payments for dental care  
2 service plans.

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

1 Section 1. NEW SECTION. 514C.3C Dental care service plan  
2 contracts.

3 1. *Definitions.* As used in this section unless the context  
4 otherwise provides:

5 a. "*Commissioner*" means the commissioner of insurance.

6 b. "*Contracting entity*" means any person, third-party  
7 administrator, health carrier, or dental carrier that enters  
8 into a contract with a dental care provider for the delivery  
9 of dental care services.

10 c. "*Covered person*" means a policyholder, subscriber,  
11 enrollee, or other individual participating in a dental care  
12 service plan or health benefit plan that provides for dental  
13 care services.

14 d. "*Dental care provider*" means any person licensed to  
15 practice dentistry pursuant to chapter 153, and who provides  
16 dental care services pursuant to a dental care service plan or  
17 health benefit plan.

18 e. "*Dental care service plan*" means a policy, contract,  
19 plan, certificate, or agreement that provides for third-party  
20 payment or prepayment of dental care services and that is  
21 delivered or issued for delivery by or through a dental carrier  
22 on a stand-alone basis. "*Dental care service plan*" includes a  
23 health benefit plan that provides for dental care services.

24 f. "*Dental care services*" means the same as defined in  
25 section 514J.102. "*Dental care services*" does not include  
26 services that are billed as medical expenses under a health  
27 benefit plan.

28 g. "*Dental carrier*" means an entity subject to the  
29 insurance laws and regulations of this state, or subject to  
30 the jurisdiction of the commissioner, including an insurance  
31 company offering dental care service plans, or any other entity  
32 that provides a dental care service plan.

33 h. "*Dental service contractor*" means any person who accepts  
34 a prepayment from, or for the benefit of, another person as  
35 consideration for the provision of future dental care services.

1 *"Dental service contractor"* does not include a dental care  
2 provider that accepts prepayment on a fee-for-service basis for  
3 providing specific dental services to individual patients for  
4 whom such services have been prediagnosed.

5 *i. "Dentist agent"* means a person that contracts with  
6 a dental care provider to establish an agency relationship  
7 for purposes of processing bills for services provided by  
8 the dental care provider under the terms and conditions  
9 of a contract between the dentist agent and a health care  
10 provider. A contract between a dentist agent and a health care  
11 provider may permit the dentist agent to submit bills, request  
12 reconsideration, and receive reimbursement.

13 *j. "Health benefit plan"* means the same as defined in  
14 section 514J.102.

15 *k. "Health carrier"* means the same as defined in section  
16 514J.102.

17 *l. "Network contract"* means a contract between a contracting  
18 entity and a dental care provider that specifies the rights and  
19 responsibilities of the contracting entity and provides for the  
20 delivery and payment of dental services to a covered person.

21 *m. "Third party"* means a person, not including a covered  
22 person, that enters into a contract with a contracting entity  
23 to access the dental services or contractual discounts of a  
24 network contract. *"Third party"* does not include an employer or  
25 other group for whom the dental carrier or contracting entity  
26 provides administrative services.

27 *n. "Virtual credit card payment"* means an electronic funds  
28 transfer in which a dental care service plan, or a contracted  
29 vendor, issues a single-use series of numbers associated with  
30 the payment of dental care services performed by a dental care  
31 provider and chargeable to a predetermined dollar amount, where  
32 the dental care provider is responsible for processing the  
33 payment by a credit card terminal or internet portal. *"Virtual  
34 credit card payment"* includes only electronic or virtual credit  
35 card payments, where no physical credit card is used and

1 the single-use electronic credit card expires upon payment  
2 processing.

3 2. *Third-party access to network contracts.*

4 a. A contracting entity may grant a third party access  
5 to a network contract, or to a dental care provider's dental  
6 care services or contractual discounts provided pursuant to a  
7 network contract, if all of the following requirements are met:

8 (1) If the contracting entity is a dental carrier or health  
9 carrier, at the time the network contract is entered into,  
10 renewed, or material modifications relevant to granting access  
11 to a third party are made, the contracting entity allows any  
12 dental care provider that is part of the contracting entity's  
13 network contract to choose not to participate in third-party  
14 access to the network contract, or to enter into a contract  
15 directly with the third party. If a dental care provider opts  
16 out of lease arrangements, a contracting entity shall not  
17 cancel or terminate a contractual relationship with, or refuse  
18 to contract with, the dental care provider.

19 (2) The network contract specifically states that the  
20 contracting entity may enter into an agreement with a third  
21 party to allow the third party to obtain the contracting  
22 entity's rights and responsibilities under the network  
23 contract as if the third party were the contracting entity.  
24 If the contracting entity is a dental carrier, the network  
25 contract must specifically state that the dental care provider  
26 may choose not to participate in third-party access to the  
27 network contract, and that the dental care provider chose to  
28 participate in third-party access at the time the network  
29 contract was entered into or renewed.

30 (3) The third party accessing the network contract agrees to  
31 comply with all of the network contract's terms.

32 (4) The contracting entity identifies to the dental care  
33 provider, in writing, all third parties participating in the  
34 network contract as of the date the network contract is entered  
35 into or renewed.

1 (5) The contracting entity provides a list of all  
2 third parties participating in the network contract on the  
3 contracting entity's internet site and the list of third  
4 parties is updated at least once every ninety days.

5 (6) The contracting entity notifies a dental care provider  
6 under the network contract at least thirty days prior to a new  
7 third party leasing or purchasing the network contract.

8 (7) The contracting entity requires a third party to  
9 identify, for all remittance advice or explanations of payment  
10 under which a discount applies, the source of the discount.  
11 This subparagraph does not apply to an electronic transaction  
12 mandated by the federal Health Insurance Portability and  
13 Accountability Act of 1996, Pub. L. No. 104-191.

14 (8) The contracting entity notifies a third party of the  
15 termination of a network contract no later than thirty days  
16 from the termination date of the network contract.

17 (9) A third party's right to a dental care provider's  
18 discounted rate is terminated as of the termination date of the  
19 network contract.

20 (10) In the adjudication of a claim under the network  
21 contract, the contracting entity makes available to the  
22 dental care provider a copy of the network contract no later  
23 than thirty days after a request for the network contract is  
24 received.

25 *b.* This section shall not apply to access to a network  
26 contract provided to a third party that is either an affiliate  
27 of, or operating under the same brand licensing as, the  
28 contracting entity. A contracting entity shall provide a list  
29 of all affiliates on the contracting entity's internet site.

30 *c.* No dental care provider shall be bound by, or required to  
31 perform, dental care services under a network contract that has  
32 been granted to a third party in violation of this section.

33 3. *Dental care service plans — method of payment.*

34 *a.* A dental care service plan shall not require payments  
35 to be made to dental care providers by virtual credit card



1 allows a dental carrier or health carrier, at the time the  
2 contract is entered into, renewed, or modified, to choose  
3 not to participate in third-party access or to enter into a  
4 contract directly with the third party, and if a provider  
5 opts out of lease arrangements, a contracting entity shall  
6 not cancel or terminate a contractual relationship with, or  
7 refuse to contract with, the provider; (2) the contract states  
8 that the contracting entity may enter into an agreement to  
9 allow the third party to obtain the contracting entity's  
10 rights and responsibilities under the contract; (3) the third  
11 party agrees to comply with all of the contract's terms; (4)  
12 the contracting entity identifies to the provider all third  
13 parties participating in the contract when it is entered  
14 into or renewed; (5) the contracting entity provides a list  
15 of all third parties participating in the contract on the  
16 contracting entity's internet site and the list is updated at  
17 least once every 90 days; (6) the contracting entity notifies a  
18 provider at least 30 days prior to a new third party leasing or  
19 purchasing the contract; (7) the contracting entity requires  
20 a third party to identify, for all remittance advice or  
21 explanations of payment under which a discount applies, the  
22 source of the discount; (8) the contracting entity notifies a  
23 third party no later than 30 days from the termination date  
24 of the contract; (9) a third party's right to a provider's  
25 discounted rate is terminated as of the termination date of  
26 the contract; and (10) in the adjudication of a claim, the  
27 contracting entity makes available to the provider a copy of  
28 the contract no later than 30 days after a request for the  
29 contract is received. "Contracting entity", "dental care  
30 provider", "network contract", "third party", "dental carrier",  
31 and "health carrier" are defined in the bill. A provider shall  
32 not be bound by, or required to perform, dental care services  
33 under a contract that has been granted in violation of the  
34 bill.

35 The bill prohibits a dental care service plan from requiring

1 payments to be made to a provider by virtual credit card  
2 payment. "Virtual credit card payment" is defined in the  
3 bill. A dental care service plan, when initiating payments  
4 to, or changing payment methods for, a provider via virtual  
5 credit card payment, the dental care service plan is required  
6 to notify the provider of any fees associated with each  
7 payment method, inform the provider of the available options  
8 for methods of payment, and provide clear instructions to the  
9 provider for the selection of an alternative payment method. A  
10 dental care service plan that transmits payments to a provider  
11 in accordance with the standards of 45 C.F.R. §162.1601 and  
12 162.1602 shall not charge a fee solely for the transmission  
13 unless the provider has consented to payment of the fee. A  
14 dentist agent that transmits payments through the national  
15 automated clearinghouse may charge a reasonable fee related  
16 to bank transmittal, transaction management, data management,  
17 portal services, and other value-added services.

18 The requirements of the bill shall not be waived by contract,  
19 and any contract to the contrary is null and void.

20 The commissioner of insurance may adopt rules to administer  
21 the bill.