HOUSE FILE 2400
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 638)

(As Amended and Passed by the House February 19, 2024)

[= New Language by the House

* = Language Stricken by the House

A BILL FOR

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

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

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

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

a. "Commissioner" means the commissioner of insurance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

payment.

b. A dental care service plan, when initiating payments to a dental care provider via virtual credit card payment, or when changing the method of payment for a dental care provider to virtual credit card payments, shall do all of the following:

(1) Notify the dental care provider of any fees associated with each payment method.

(2) Inform the dental care provider of the available options for methods of payment and provide clear instructions to the dental care provider for the selection of an alternative payment method.

c. A dental care service plan that transmits payments to a dental care provider in accordance with the standards of 45 C.F.R. §162.1601 and 162.1602 shall not charge a fee solely for the transmission of the payment to the dental care provider unless the dental care provider has consented to payment of the fee. When transmitting a national automated clearinghouse payment, a dentist agent may charge a reasonable fee related to bank transmittal, transaction management, data management, portal services, and other value-added services.

4. *Waiver prohibited.* The requirements of this section shall not be waived by contract. Any contractual arrangement contrary to this section shall be null and void.

* 5. *Rules.* The commissioner [may] adopt rules pursuant to chapter 17A to administer this chapter.