

Sec. 7. Section 905.6, subsection 4, Code 1995, is amended to read as follows:

4. Prepare all budgets and fiscal documents, and certify for payment all expenses and payrolls lawfully incurred by the district department. The director may invest funds which are not needed for current expenses, jointly with one or more cities, city utilities, ~~or~~ counties, or rural water districts created under chapter 357A pursuant to a joint investment agreement. All investment of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law.

Approved April 25, 1995

CHAPTER 78

DISCLOSURE OF FEE DETERMINATIONS FOR DENTAL CARE BENEFIT COVERAGE

H.F. 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.

Approved April 25, 1995