

BILL ANALYSIS

S.B. 554
By: Carona
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law allows for dental insurance carriers to implement contract provisions that set a limit on the amount contracting dentists can charge an insured patient for services not covered by the plan. Historically, when a contracting dentist treats a patient for procedures that either are not covered by the plan contract or not covered because the patient has exhausted the patient's annual maximum, the participating dentist can bill the patient at the usual and customary fee. Insurance companies are now trying to set limits on what dentists may charge for services not covered under the plan contract.

At this time, 16 states have enacted legislation to prevent caps on non-covered services. A non-covered service is considered to be any service for which the third-party contract provides either no benefit or no reimbursement, including services that exceed the annual or lifetime maximums and services provided during waiting periods. S.B. 554 prevents health maintenance and dental insurance carriers from setting maximum fees on non-covered services.

S.B. 554 amends current law relating to contracts between dentists and health maintenance organizations or insurers.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1. Amends Subchapter I, Chapter 843, Insurance Code, by adding Section 843.3115, as follows:

Sec. 843.3115. CONTRACTS WITH DENTISTS. (a) Defines "covered service" in this section.

(b) Prohibits a contract between a health maintenance organization and a dentist from limiting the fee the dentist may charge for a service that is not a covered service.

SECTION 2. Amends Subchapter E, Chapter 1451, Insurance Code, by adding Section 1451.2065, as follows:

Sec. 1451.2065. CONTRACTS WITH DENTISTS. (a) Defines "covered service" in this section.

(b) Prohibits a contract between an insurer and a dentist from limiting the fee the dentist may charge for a service that is not a covered service.

SECTION 3. Makes application of Sections 843.3115 and 1451.2065, Insurance Code, as added by this Act, prospective.

SECTION 4. Effective date: September 1, 2011.

EFFECTIVE DATE

Effective date: September 1, 2011.