

## **BILL ANALYSIS**

Senate Research Center  
82R2249 RWG-F

S.B. 554  
By: Carona  
State Affairs  
3/1/2011  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

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 their 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 dental insurance carriers from setting maximum fees on non-covered services.

As proposed, 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.

### **SECTION BY SECTION ANALYSIS**

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

Sec. 843.3115. **CONTRACTS WITH DENTISTS.** Prohibits a contract between a health maintenance organization and a dentist from limiting the fee the dentist may charge for a service for which an enrollee's health care plan does not provide a benefit or reimbursement, including a service that exceeds the annual or lifetime maximum plan limit or that is provided during a waiting period.

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

Sec. 1451.2065. **CONTRACTS WITH DENTISTS.** Prohibits a contract between an insurer and a dentist from limiting the fee the dentist may charge for a service for which a patient's employee benefit plan or health insurance policy does not provide a benefit or reimbursement, including a service that exceeds the annual amount or lifetime maximum limit of the plan or policy or that is provided during a waiting period.

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.