

HB 2263 AND SB 520: ASSIGNMENT OF BENEFITS – REQUIRING INSURERS TO DIRECTLY PAY PROVIDERS

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THE ISSUE

#DAYONTHEHILL

Rep. Karen Boback (R-Columbia) and Sen. Kim Ward (R-Westermoreland) introduced identical (“companion”) assignment of benefits legislation. HB 2263 and SB 520 would require insurers to honor patients’ request to directly assign benefits to dental providers, regardless of whether the dentist participates with the insurer. Requiring assignment of benefits would reduce administrative burdens for both patients and dentists, and concerns from patients about being able to afford treatment.

In Pennsylvania, some patients currently cannot choose their dentist based on preference because some insurance companies do not directly pay the non-participating provider and they might not be able to pay for services upfront. Dentists who do not require advanced payment may never be paid for services rendered. This insurance practice unfairly inhibits patients from seeking care from their provider of choice, even though they are paying for a benefit that should be, and can be, applied to any provider, regardless of his or her participation in the patient’s insurance plan. Dentists also are impacted because they often sympathize with patients and don’t require payment upfront.

By enacting assignment of benefits legislation, Pennsylvania would join 27 states in ensuring that benefit plans are treated as purchased products belonging to patients. This would help alleviate problems some patients face based on remote geography and situations like divorce or separation. By requiring insurance companies to directly pay dental providers for a patient’s treatment, SB 520 and HB 2263 will give these patients, not the carrier, the right to decide where to direct their benefits.

TAKE ACTION

Thank your representative and senator if he/she cosponsored HB 2263 and SB 520. The cosponsors for HB 2263 are Brown, Cohen, Gingrich, Heffley, Millard, Murt, Rozzi, Saylor, Swanger and Youngblood. The cosponsors for HB 520 are Alloway, Argall, Boscola, Browne, Costa, Greenleaf, Erickson, Mensch, Solobay, Tartaglione, Vulakovich and Waugh.

Look to see if your representative and senator are members of the House and Senate Insurance Committees and make a special effort to educate them about this issue.

Educate all representatives and senators about these bills and request that they contact the chairs of the House and Senate Insurance Committee to request a vote on these bills. Also request that they speak to House and Senate leaders about placing these bills on the calendar for a vote once they move out of committee.

Let your representative and senator know that there is a companion bill introduced in the other chamber, and that you are asking for their support for whichever one starts to gain momentum. PDA is prepared to lobby for whichever bill starts to have traction.

USE YOUR SMART PHONE TO LOG ON TO
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For more information about assignment of benefits,
please log on to www.padental.org/dayonthehill.

TALKING POINTS ON ASSIGNMENT OF BENEFITS

Passage of this legislation would provide a more equitable system for patients, making dental care more affordable and accessible.

The patient should have the right to decide where to direct payment for care. There is no difference in the cost of payment if it is sent to the provider instead of the patient. Allowing patients to have the freedom to assign their dental benefits would not cost the insurance carrier any additional money. In fact, sending a check and explanation of benefits statement directly to the non-participating dentist may result in lowering the carriers’ administrative costs.

Absence of assignment of benefits legislation forces patients to pay upfront for treatment they cannot necessarily afford. This proves particularly burdensome for single divorced parents and low income families. Consider the case of a single mother, who often cannot overcome financial burdens, preventing her from seeking dental treatment for her children.

Parents who are divorced or separated may have the problem where one parent has primary custody of a child who is insured through the other parent. The custodial parent may never see the insurer’s reimbursement check, which is sent directly to the other parent. Faced with this situation, some parents postpone or avoid care altogether. This situation also impacts some dentists, because they usually feel an obligation to their patients and agree to treat the patient without advance payment.

It’s a fair solution. Without assignment of benefits, a patient may receive a check from an insurer and spend that money on something else, leaving the dentist unpaid for provided services. This is a problem for dentists, who are small business owners and cannot afford a situation that may require legal action to recoup costs. At a time when Pennsylvania’s retention rate for recent dental school graduates is low (30 percent compared to the national mean retention rate for public state-related schools of 65.4 percent), Pennsylvania cannot afford a non-assignment policy that discourages these graduates from practicing in the Commonwealth.

Rural patients in Pennsylvania are particularly placed at a disadvantage under the current non-assignment policy. There are counties where only one or two in-network dentists provide care. Patients who cannot afford to pay upfront may postpone needed care because of the non-assignment restriction. Rural patients are also often incurring greater travel time and costs to seek treatment from an in-network dental provider.

The insurance companies that do NOT assign benefits to non-participating dentists are Delta Dental and United Concordia (United Concordia assigns benefits in all other 49 U.S. states and its territories). In addition, UPMC and United Healthcare for Kids do not consistently assign benefits to patients. Under their insurance policies, patients have to pay up front for treatment and then wait for reimbursement from these carriers.

Insurance companies oppose assignment of benefits laws, saying that it will result in a decline in network participation. However, Florida conducted a study after passing its assignment of benefits law and found that there was no decline in insurers’ networks. When asked, representatives from insurance companies in Pennsylvania were not able to produce data from any other state with an assignment of benefits law that proves there was a decline in network participation.



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