

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB1263

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Ware

3. Committee: Commerce and Labor

4. Title: **Dentist and oral surgeons; reimbursement for certain services**

5. Summary: Prohibits a contract for the provision of health care between a dental plan and a dentist or oral surgeon that establishes the fee or rate that the dentist or oral surgeon is required to accept for the provision of health care services, or from requiring that a dentist or oral surgeon accept the reimbursement paid by the dental plan as payment in full for health care services. These prohibitions do not apply to covered health care services that a dentist or oral surgeon has agreed to provide on behalf of the dental plan to its insured, subscribers, or enrollees with an expectation of receiving payment, other than copayments or deductibles, directly or indirectly from the dental plan. The measure applies to contracts entered into, amended, extended, or renewed on or after July 1, 2010.

6. Fiscal Impact Estimates: None, See Item 8 below.

7. Budget Amendment Necessary: N/A

8. Fiscal Implications: While this bill will have no direct impact on the general fund appropriation for the health insurance program for state employees from an employer premium perspective, it will potentially impact what employees pay for services. This bill would prohibit insurance companies from negotiating discounts from dentists on non-covered services or services that exceed plan limitations. Currently, insurance companies can negotiate the allowable charge on such services which is a direct benefit to the covered employees. The prohibition of this practice will increase costs for employees and in some cases, employees may forgo treatment which could result in other conditions that will increase cost to the health insurance program.

This bill would also impact on the cost paid by local employees in their respective health insurance/dental plans.

9. Specific Agency or Political Subdivisions Affected: All state agencies and all political subdivisions that offer group health insurance policies to employees.

10. Technical Amendment Necessary: N/A

11. Other Comments: None

Date: 2/1/2010 JDH

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cc: Secretary of Administration
Secretary of Public Safety