

§§1-4 -
C.17B:30-60 to
17B:30-63
§5 - Note

P.L. 2019, CHAPTER 254, *approved August 23, 2019*
Senate Substitute (*First Reprint*) for Senate Committee Substitute for
Senate, No. 2507

1 **AN ACT** concerning certain dental provider networks, and
2 supplementing chapter 30 of Title 17B of the New Jersey
3 Statutes.
4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7
8 1. As used in this act:
9 “Contracting entity” means any person or entity that enters into
10 direct contracts with providers for the delivery of dental services in
11 the ordinary course of business, including a third party
12 administrator as defined by section 1 of P.L.2001, c.267
13 (C.17B:27B-1) and a dental carrier.
14 “Covered person” means an individual who is covered under a
15 dental benefits or health benefits plan for dental services.
16 “Dental benefits plan” means a benefits plan which pays or
17 provides dental expense benefits for covered dental services and is
18 delivered or issued for delivery in this State by or through a dental
19 carrier on a stand-alone basis.
20 “Dental carrier” means a dental insurance company, dental
21 service corporation, or dental plan organization authorized to
22 provide a dental benefits plan in New Jersey or a health benefits
23 plan in New Jersey that includes coverage for dental services.
24 “Dental services” means services for the diagnosis, prevention,
25 treatment, or cure of a dental condition, illness, injury, or disease.
26 Dental services shall not include those services delivered by a
27 provider under a health benefits plan that are billed as medical
28 services under that plan.
29 “Health benefits plan” means any hospital and medical expense
30 incurred policy, health maintenance organization subscriber
31 contract, or any other health care plan or arrangement that pays for
32 or furnishes medical, dental, or health care services, whether by
33 insurance or otherwise. Health benefits plan shall include a dental
34 benefits plan. “Health benefits plan” shall not include one or more,
35 or any combination of, the following: coverage only for accident, or
36 disability income insurance; coverage issued as a supplement to

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AAP committee amendments adopted May 20, 2019.

1 liability insurance; liability insurance, including general liability
2 insurance and private passenger automobile insurance; workers'
3 compensation or similar insurance; automobile medical payment
4 insurance; credit-only insurance; coverage for on-site medical
5 clinics; coverage similar to the foregoing as specified in federal
6 regulations issued pursuant to the federal "Health Insurance
7 Portability and Accountability Act of 1996," P.L.104-191, under
8 which benefits for medical care are secondary or incidental to other
9 insurance benefits; benefits for long-term care, nursing home care,
10 home health care, or community-based care; specified disease or
11 illness coverage, hospital indemnity or other fixed indemnity
12 insurance, or such other similar, limited benefits as are specified in
13 regulations; Medicare supplemental health insurance as defined
14 under section 1882(g)(1) of the federal Social Security Act (42
15 U.S.C. s.1395ss(g)(1)); coverage supplemental to the coverage
16 provided under chapter 55 of title 10, United States Code (10
17 U.S.C. s.1071 et seq.); or other similar limited benefit supplemental
18 coverages.

19 "Provider" means an individual or entity which, acting within the
20 scope of its licensure or certification, provides dental services or
21 supplies defined by the health benefits or dental benefits plan.
22 Provider includes, but is not limited to, a dentist, physician or other
23 health care professionals licensed pursuant to Title 45 of the
24 Revised Statutes acting within the scope of his or her licensure.
25 "Provider" shall not include a physician organization or physician
26 hospital organization that leases or rents the physician
27 organization's or physician hospital organization's network to a
28 third party.

29 "Provider network contract" means a contract between a
30 contracting entity and a provider specifying the rights and
31 responsibilities of the contracting entity and providing for the
32 delivery of and payment for dental services to covered persons.

33 "Third party" means a person or entity that enters into a contract
34 with a contracting entity or with another third party to gain access
35 to the dental services or contractual discounts of a provider network
36 contract. "Third party" shall not include any employer or other
37 group for whom the contracting entity or dental carrier provides
38 administrative services, including at least the payment of claims.

39

40 2. a. A contracting entity shall not grant to a third party access
41 to a provider network contract, or a provider's dental services or
42 contractual discounts, or both, pursuant to a provider network
43 contract, unless the contracting entity meets the requirements of
44 subsections b. and c. of this section.

45 b. A dental carrier may grant access to its provider network
46 contract to a third party if, at the time the contract is entered into,
47 and at any time the contract is renewed, the dental carrier allows

1 any provider which is part of the carrier's provider network to
2 choose not to participate in third party access to the contract. The
3 third party access provision of any provider contract shall be clearly
4 identified in the provider contract. A dental carrier shall not grant
5 third party access to the contract of any provider that does not
6 participate in third party access.

7 c. A contracting entity may grant a third party access to a
8 provider network contract, or services or discounts pursuant to a
9 provider network contract, if:

10 (1) The contract specifically states that the contracting entity
11 may enter into an agreement with third parties allowing the third
12 parties to obtain the contracting entity's rights and responsibilities
13 as if the third party were the contracting entity, and when the
14 contracting entity is a dental carrier, the provider chose to
15 participate in third party access at the time the provider network
16 contract was entered into or renewed;

17 (2) The third party accessing the contract agrees to comply with
18 all of the contract's terms;

19 (3) The contracting entity identifies, in writing or electronic
20 form to the provider, all third parties in existence as of the date the
21 contract is entered into or renewed;

22 (4) The contracting entity includes on its website a listing,
23 updated no less frequently than every 90 days, identifying all third
24 parties;

25 (5) The contracting entity requires each third party to identify
26 the source of the discount on all remittance advices or explanations
27 of payment under which a discount is taken ¹, except this
28 requirement shall not apply to electronic transactions mandated
29 under the "Health Insurance Portability and Accountability Act of
30 1996," Pub.L.104-191¹;

31 (6) The contracting entity notifies the third party of the
32 termination of a provider network contract no later than 30 days
33 from the termination date with the contracting entity;

34 (7) A third party ceases its right to a provider's discounted rate
35 as of the date of termination of the provider's contract with the
36 contracting entity; and

37 (8) The contracting entity delivers to participating providers a
38 copy of the provider network contract relied on in the adjudication
39 of a claim within 30 days after the date of a request from the
40 provider.

41 d. No provider shall be bound by or required to perform dental
42 treatment or services under a provider network contract that has
43 been granted to a third party in violation of this act.

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45 3. This act shall not apply to:

46 a. a provider network contract for dental services provided to
47 beneficiaries of the Medicaid program established pursuant to

1 P.L.1968, c.413 (C.30:4D-1 et seq.), the Medicare program
2 established pursuant to the federal Social Security Act, (42 U.S.C.
3 s.1395 et seq.), the State Health Benefits Program, the School
4 Employees' Health Benefits Program, or the NJ FamilyCare
5 Program established pursuant to P.L.2005, c.156 (C.30:4J-8 et al.);
6 and

7 b. situations in which access to a provider network contract is
8 granted to a contracting entity or dental carrier operating under the
9 same brand licensee program as the contracting entity or to an
10 entity that is an affiliate of the contracting entity. A listing of all
11 affiliates of the contracting entity shall be made available to the
12 provider, in writing or electronic form, prior to access being granted
13 as provided in subsection b. of section 2 of this act.
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15 4. The Commissioner of Banking and Insurance shall, pursuant
16 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
17 1 et seq.), adopt rules and regulations necessary to effectuate the
18 purpose of this act. The commissioner shall ensure the rules and
19 regulations for this act include penalty provisions for contracting
20 entities and dental carriers that violate the provisions of this act.
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22 5. This act shall take effect on January 1, 2020 and shall apply
23 to all provider network contracts that are delivered, issued, executed
24 or renewed in this State on or after the effective date. The
25 commissioner may take any anticipatory administrative action in
26 advance of January 1, 2020 as shall be necessary for the
27 implementation of this act.
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32 Prohibits sale or lease of access to certain dental provider
33 network contracts.