

ASSEMBLY, No. 2810

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1997

By Assemblymen DiGAETANO and DORIA

1 AN ACT concerning the assignment of dental benefits and  
2 supplementing various parts of statutory law.

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

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7 1. a. Every individual or group contract that is delivered, issued,  
8 executed or renewed in this State pursuant to P.L.1938, c.366  
9 (C.17:48-1 et seq.), or approved for issuance or renewal in this State  
10 by the Commissioner of Banking and Insurance, on or after the  
11 effective date of this act, shall provide that a person covered under the  
12 contract may assign reimbursement for dental services directly to the  
13 dentist providing those services.

14 b. Any hospital service corporation making a payment to a covered  
15 person, after the rights of reimbursement have been assigned to the  
16 dentist, shall be liable to the dentist for the payment, and the payment,  
17 plus interest and reasonable attorney's fees, may be recovered in a  
18 court of competent jurisdiction.

19 c. The provisions of this section shall apply to all contracts in  
20 which the hospital service corporation has reserved the right to change  
21 the premium.

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23 2. a. Every individual or group contract that is delivered, issued,  
24 executed or renewed in this State pursuant to P.L.1940, c.74  
25 (C.17:48A-1 et seq.), or approved for issuance or renewal in this State  
26 by the Commissioner of Banking and Insurance, on or after the  
27 effective date of this act, shall provide that a person covered under the  
28 contract may assign reimbursement for dental services directly to the  
29 dentist providing those services.

30 b. Any medical service corporation making a payment to a covered  
31 person, after the rights of reimbursement have been assigned to the  
32 dentist, shall be liable to the dentist for the payment, and the payment,  
33 plus interest and reasonable attorney's fees, may be recovered in a  
34 court of competent jurisdiction.

35 c. The provisions of this section shall apply to all contracts in  
36 which the medical service corporation has reserved the right to change  
37 the premium.

1       3. a. Every individual or group contract that is delivered, issued,  
2 executed or renewed in this State pursuant to P.L.1985, c.236  
3 (C.17:48E-1 et seq.), or approved for issuance or renewal in this State  
4 by the Commissioner of Banking and Insurance, on or after the  
5 effective date of this act, shall provide that a person covered under the  
6 contract may assign reimbursement for dental services directly to the  
7 dentist providing those services.

8       b. Any health service corporation making a payment to a covered  
9 person, after the rights of reimbursement have been assigned to the  
10 dentist, shall be liable to the dentist for the payment, and the payment,  
11 plus interest and reasonable attorney's fees, may be recovered in a  
12 court of competent jurisdiction.

13       c. The provisions of this section shall apply to all contracts in  
14 which the health service corporation has reserved the right to change  
15 the premium.

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17       4. a. Every policy that is delivered, issued, executed or renewed  
18 in this State pursuant to Chapter 26 of Title 17B of the New Jersey  
19 Statutes, or approved for issuance or renewal in this State by the  
20 Commissioner of Banking and Insurance, on or after the effective date  
21 of this act, shall provide that a person covered under the policy may  
22 assign reimbursement for dental services directly to the dentist  
23 providing those services.

24       b. Any insurer making a payment to a covered person, after the  
25 rights of reimbursement have been assigned to the dentist, shall be  
26 liable to the dentist for the payment, and the payment, plus interest and  
27 reasonable attorney's fees, may be recovered in a court of competent  
28 jurisdiction.

29       c. The provisions of this section shall apply to all policies in which  
30 the insurer has reserved the right to change the premium.

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32       5. a. Every policy that is delivered, issued, executed or renewed  
33 in this State pursuant to Chapter 27 of Title 17B of the New Jersey  
34 Statutes, or approved for issuance or renewal in this State by the  
35 Commissioner of Banking and Insurance, on or after the effective date  
36 of this act, shall provide that a person covered under the policy may  
37 assign reimbursement for dental services directly to the dentist  
38 providing those services.

39       b. Any insurer making a payment to a covered person, after the  
40 rights of reimbursement have been assigned to the dentist, shall be  
41 liable to the dentist for the payment, and the payment, plus interest and  
42 reasonable attorney's fees, may be recovered in a court of competent  
43 jurisdiction.

44       c. The provisions of this section shall apply to all policies in which  
45 the insurer has reserved the right to change the premium.

1       6. a. Every enrollee agreement which is delivered, issued, executed  
2 or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et  
3 seq.), or approved for issuance or renewal in this State by the  
4 Commissioner of Banking and Insurance, on or after the effective date  
5 of this act, shall provide that an enrollee may assign reimbursement for  
6 dental services directly to the dentist providing those services.

7       b. Any health maintenance organization making a payment to an  
8 enrollee, after the rights of reimbursement have been assigned to the  
9 dentist, shall be liable to the dentist for the payment, and the payment,  
10 plus interest and reasonable attorney's fees, may be recovered in a  
11 court of competent jurisdiction.

12       c. The provisions of this section shall apply to all enrollee  
13 agreements in which the health maintenance organization has reserved  
14 the right to change the schedule of charges.

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16       7. a. Every contract that is delivered, issued, executed or renewed  
17 in this State pursuant to P.L.1968, c.305 (C.17:48C-1 et seq.), or  
18 approved for issuance or renewal in this State by the Commissioner of  
19 Banking and Insurance, on or after the effective date of this act, shall  
20 provide that a person covered under the contract may assign  
21 reimbursement for dental services directly to the dentist providing  
22 those services.

23       b. Any dental service corporation making a payment to a covered  
24 person, after the rights of reimbursement have been assigned to the  
25 dentist, shall be liable to the dentist for the payment, and the payment,  
26 plus interest and reasonable attorney's fees, may be recovered in a  
27 court of competent jurisdiction.

28       c. The provisions of this section shall apply to all contracts in  
29 which the dental service corporation has reserved the right to change  
30 the premium.

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32       8. a. Every contract that is delivered, issued, executed or renewed  
33 in this State pursuant to P.L.1979, c.478 (C.17:48D-1 et seq.), or  
34 approved for issuance or renewal in this State by the Commissioner of  
35 Banking and Insurance, on or after the effective date of this act, shall  
36 provide that an enrollee under the contract may assign reimbursement  
37 for dental services directly to the dentist providing those services.

38       b. Any dental plan organization making a payment to an enrollee,  
39 after the rights of reimbursement have been assigned to the dentist,  
40 shall be liable to the dentist for the payment, and the payment, plus  
41 interest and reasonable attorney's fees, may be recovered in a court of  
42 competent jurisdiction.

43       c. The provisions of this section shall apply to all contracts in  
44 which the dental plan organization has reserved the right to change the  
45 premium.

1 9. This act shall take effect immediately.

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STATEMENT

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6 This bill provides that a person covered under a health or dental  
7 insurance contract or policy may assign reimbursement for dental  
8 services to the dentist providing those services. If the health or dental  
9 insurer reimburses the covered person for the dental services rendered  
10 after assignment has been authorized by the covered person, it would  
11 still be liable for such reimbursement to the dentist providing the  
12 services.

13 The provisions of the bill apply to hospital service corporations,  
14 medical service corporations, health service corporations, commercial  
15 health insurers, health maintenance organizations, dental service  
16 corporations and dental plan organizations.

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Allows insureds to assign dental benefits to dentists of choice.