

SENATE, No. 438

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1996

By Senator KYRILLOS

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 Insurance on or after the effective date of this
11 act shall provide that a person covered under the contract may assign
12 reimbursement for dental services directly to the dentist providing
13 those services. In such assignment the hospital service corporation,
14 when authorized by the covered person, shall pay directly to the
15 dentist the amount of the claim, under the same criteria and payment
16 schedule that would have been reimbursed directly to the dentist who
17 has contracted with the hospital service corporation to provide those
18 dental services, and any applicable interest. Any hospital service
19 corporation making a payment to a covered person, after the rights of
20 reimbursement have been assigned to the dentist, shall be liable to the
21 dentist for the payment, and the payment, plus interest and reasonable
22 attorney's fees, may be recovered in a court of competent jurisdiction.

23 b. The provisions of this section shall apply to all contracts in
24 which the hospital service corporation has reserved the right to change
25 the premium.

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27 2. a. Every individual or group contract that is delivered, issued,
28 executed or renewed in this State pursuant to P.L.1940, c.74
29 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State
30 by the Commissioner of Insurance on or after the effective date of this
31 act shall provide that a person covered under the contract may assign
32 reimbursement for dental services directly to the dentist providing
33 those services. In such assignment the medical service corporation,
34 when authorized by the covered person, shall pay directly to the
35 dentist the amount of the claim, under the same criteria and payment
36 schedule that would have been reimbursed directly to the dentist who
37 has contracted with the medical service corporation to provide those

1 dental services, and any applicable interest. Any medical service
2 corporation making a payment to a covered person, after the rights of
3 reimbursement have been assigned to the dentist, shall be liable to the
4 dentist for the payment, and the payment, plus interest and reasonable
5 attorney's fees, may be recovered in a court of competent jurisdiction.

6 b. The provisions of this section shall apply to all contracts in
7 which the medical service corporation has reserved the right to change
8 the premium.

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10 3. a. Every individual or group contract that is delivered, issued,
11 executed or renewed in this State pursuant to P.L.1985, c.236
12 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State
13 by the Commissioner of Insurance on or after the effective date of this
14 act shall provide that a person covered under the contract may assign
15 reimbursement for dental services directly to the dentist providing
16 those services. In such assignment the health service corporation,
17 when authorized by the covered person, shall pay directly to the
18 dentist the amount of the claim, under the same criteria and payment
19 schedule that would have been reimbursed directly to the dentist who
20 has contracted with the health service corporation to provide those
21 dental services, and any applicable interest. Any health service
22 corporation making a payment to a covered person, after the rights of
23 reimbursement have been assigned to the dentist, shall be liable to the
24 dentist for the payment, and the payment, plus interest and reasonable
25 attorney's fees, may be recovered in a court of competent jurisdiction.

26 b. The provisions of this section shall apply to all contracts in
27 which the health service corporation has reserved the right to change
28 the premium.

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30 4. a. Every policy that is delivered, issued, executed or renewed
31 in this State pursuant to Chapter 26 of Title 17B of the New Jersey
32 Statutes or approved for issuance or renewal in this State by the
33 Commissioner of Insurance on or after the effective date of this act
34 shall provide that a person covered under the policy may assign
35 reimbursement for dental services directly to the dentist providing
36 those services. In such assignment the insurer, when authorized by the
37 covered person, shall pay directly to the dentist the amount of the
38 claim, under the same criteria and payment schedule that would have
39 been reimbursed directly to the dentist who has contracted with the
40 insurer to provide those dental services, and any applicable interest.
41 Any insurer making a payment to a covered person, after the rights of
42 reimbursement have been assigned to the dentist, shall be liable to the
43 dentist for the payment, and the payment, plus interest and reasonable
44 attorney's fees, may be recovered in a court of competent jurisdiction.

45 b. The provisions of this section shall apply to all contracts in
46 which the insurer has reserved the right to change the premium.

1 5. a. Every policy that is delivered, issued, executed or renewed
2 in this State pursuant to Chapter 27 of Title 17B of the New Jersey
3 Statutes or approved for issuance or renewal in this State by the
4 Commissioner of Insurance on or after the effective date of this act
5 shall provide that a person covered under the policy may assign
6 reimbursement for dental services directly to the dentist providing
7 those services. In such assignment the insurer, when authorized by the
8 covered person, shall pay directly to the dentist the amount of the
9 claim, under the same criteria and payment schedule that would have
10 been reimbursed directly to the dentist who has contracted with the
11 insurer to provide those dental services, and any applicable interest.
12 Any insurer making a payment to a covered person, after the rights of
13 reimbursement have been assigned to the dentist, shall be liable to the
14 dentist for the payment, and the payment, plus interest and reasonable
15 attorney's fees, may be recovered in a court of competent jurisdiction.

16 b. The provisions of this section shall apply to all contracts in
17 which the insurer has reserved the right to change the premium.

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19 6. a. Every enrollee agreement which is delivered, issued, executed
20 or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et
21 seq.) or approved for issuance or renewal in this State by the
22 Commissioner of Insurance on or after the effective date of this act
23 shall provide that an enrollee may assign reimbursement for dental
24 services directly to the dentist providing those services. In such
25 assignment the health maintenance organization, when authorized by
26 the enrollee, shall pay directly to the dentist the amount of the claim,
27 under the same criteria and payment schedule that would have been
28 reimbursed directly to the dentist who has contracted with the health
29 maintenance organization to provide those dental services, and any
30 applicable interest. Any health maintenance organization making a
31 payment to an enrollee, after the rights of reimbursement have been
32 assigned to the dentist, shall be liable to the dentist for the payment,
33 and the payment, plus interest and reasonable attorney's fees, may be
34 recovered in a court of competent jurisdiction.

35 b. The provisions of this section shall apply to all enrollee
36 agreements in which the health maintenance organization has reserved
37 the right to change the schedule of charges.

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39 7. a. Every contract that is delivered, issued, executed or renewed
40 in this State pursuant to P.L.1968, c.305 (C.17:48C-1 et seq.) or
41 approved for issuance or renewal in this State by the Commissioner of
42 Insurance on or after the effective date of this act shall provide that a
43 person covered under the contract may assign reimbursement for
44 dental services directly to the dentist providing those services. In such
45 assignment the dental service corporation, when authorized by the
46 covered person, shall pay directly to the dentist the amount of the

1 claim, under the same criteria and payment schedule that would have
2 been reimbursed directly to the dentist who has contracted with the
3 dental service corporation to provide those dental services, and any
4 applicable interest. Any dental service corporation making a payment
5 to a covered person, after the rights of reimbursement have been
6 assigned to the dentist, shall be liable to the dentist for the payment,
7 and the payment, plus interest and reasonable attorney's fees, may be
8 recovered in a court of competent jurisdiction.

9 b. The provisions of this section shall apply to all contracts in
10 which the dental service corporation has reserved the right to change
11 the premium.

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13 8. a. Every contract that is delivered, issued, executed or renewed
14 in this State pursuant to P.L.1979, c.478 (C.17:48D-1 et seq.) or
15 approved for issuance or renewal in this State by the Commissioner of
16 Insurance on or after the effective date of this act shall provide that an
17 enrollee under the contract may assign reimbursement for dental
18 services directly to the dentist providing those services. In such
19 assignment the dental plan organization, when authorized by the
20 enrollee, shall pay directly to the dentist the amount of the claim,
21 under the same criteria and payment schedule that would have been
22 reimbursed directly to the dentist who has contracted with the dental
23 plan organization to provide those dental services, and any applicable
24 interest. Any dental plan organization making a payment to an
25 enrollee, after the rights of reimbursement have been assigned to the
26 dentist, shall be liable to the dentist for the payment, and the payment,
27 plus interest and reasonable attorney's fees, may be recovered in a
28 court of competent jurisdiction.

29 b. The provisions of this section shall apply to all contracts in
30 which the dental plan organization has reserved the right to change the
31 premium.

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33 9. This act shall take effect immediately.

34 35 36 STATEMENT

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38 This bill provides that a person covered under a health or dental
39 insurance contract or policy may assign reimbursement for dental
40 services to the dentist providing those services. The health or dental
41 insurer must pay directly to the dentist providing those dental services
42 the amount of the claim, under the same criteria and payment schedule
43 that would have been paid to the dentist who has contracted with the
44 health or dental insurer to provide those dental services. If the health
45 or dental insurer reimburses the covered person for the dental services
46 rendered after assignment has been authorized by the covered person,

1 it would still be liable for such reimbursement to the dentist providing
2 the services.

3 The provisions of the bill apply to hospital service corporations,
4 medical service corporations, health service corporations, commercial
5 health insurers, health maintenance organizations, dental service
6 corporations and dental plan organizations.

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11 Allows insureds to assign dental benefits to dentists of choice.