

SENATE, No. 1915

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1997

By Senators SINAGRA, ADLER, Matheussen, Bryant, Codey,
Bark, Kenny and Palaia

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

1 the premium.

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

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

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

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

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

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

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

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

46 c. The provisions of this section shall apply to all policies in which

1 the insurer has reserved the right to change the premium.

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

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

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

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

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

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

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

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

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

1 premium.

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3 9. This act shall take effect immediately.

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STATEMENT

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

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

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