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**NEWSPAPER ARTICLES:** No

LAW/KR

P.L.2013, CHAPTER 83, *approved July 17, 2013*

Senate, No. 2524

(Corrected Copy)

1 AN ACT concerning assignment of benefits under dental plans and  
2 amending P.L.2003, c.250.

3

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

6

7 1. Section 1 of P.L.2003, c.250 (C.17:48C-8.3) is amended to  
8 read as follows:

9 1. a. (1) **[A]** Except as provided in subsection e. of this  
10 section, a dental service corporation that makes a dental benefit  
11 payment to a covered person for services rendered by an out-of-  
12 network dentist shall issue the payment to the covered person in  
13 accordance with the time frames set forth in section 8 of P.L.1999,  
14 c.154 (C.17:48C-8.1), and shall, within three days of issuing the  
15 payment, provide a notification to the out-of-network dentist of the  
16 amount and date of the payment and the services for which the  
17 payment was made.

18 (2) In the case of a dental service corporation that supplies an  
19 administrative services only contract and makes a dental benefit  
20 payment to a covered person for services rendered by an out-of-  
21 network dentist under that contract, paragraph (1) of this subsection  
22 shall not apply, but the dental service corporation shall, within three  
23 days of issuing the payment, provide a notification to the out-of-  
24 network dentist of the amount and date of the payment.

25 b. A covered person may enter into an agreement with an out-  
26 of-network dentist to sign over the dental benefit payment received  
27 from the dental service corporation to the dentist. The agreement  
28 shall:

29 (1) be in writing;

30 (2) be signed by the person who is entitled to receive the dental  
31 benefit payment from the dental service corporation;

32 (3) be retained by the dentist for at least six years following the  
33 date of the most recent payment from the covered person; and

34 (4) give the covered person at least 10 business days within  
35 which to sign over the dental benefit to the dentist.

36 c. A covered person who agrees to sign over a dental benefit  
37 payment in accordance with this section **[,]** shall comply with the  
38 terms of the agreement; except that, if the covered person owes the  
39 out-of-network dentist less than the amount of the dental benefit

**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.

1 payment, the covered person shall pay the dentist the balance owed  
2 to the dentist.

3 d. A covered person who fails to sign over the dental benefit  
4 payment in accordance with subsections b. and c. of this section **[,]**  
5 shall be liable to the out-of-network dentist for payment of attorney  
6 fees and costs reasonably incurred by the dentist in enforcing the  
7 agreement established pursuant to **[this section]** those subsections.

8 e. (1) With respect to a dental service corporation that makes a  
9 dental benefit payment to a covered person for services rendered by  
10 an out-of-network dentist, if the covered person assigns, through an  
11 assignment of benefits, his right to receive reimbursement to an out-  
12 of-network dentist, the dental service corporation shall issue the  
13 payment for the reimbursement directly to the dentist in the form of  
14 a check payable to the dentist, or in the alternative, to the dentist  
15 and the covered person as joint payees, with a signature line for  
16 each of the payees. Payment shall be made in accordance with  
17 section 8 of P.L.1999, c.154 (C.17:48C-8.1). Any payment made  
18 only to the covered person rather than the dentist while such an  
19 assignment of benefits is in effect shall be considered unpaid, and  
20 unless issued to the dentist within the time frames established by  
21 section 8 of P.L.1999, c.154 (C.17:48C-8.1), shall be considered  
22 overdue and subject to interest charges as provided in that section.

23 (2) Nothing in this subsection shall be construed to apply to a  
24 dental service corporation that supplies a self-funded dental services  
25 plan or an administrative services only contract for a self-funded  
26 dental services plan, when making a dental benefit payment to a  
27 covered person for services rendered by an out-of-network dentist  
28 under that plan or contract.

29 (cf: P.L.2003, c.250, s.1)

30

31 2. Section 2 of P.L.2003, c.250 (C.17:48D-9.6) is amended to  
32 read as follows:

33 2. a. (1) **[A]** Except as provided in subsection e. of this  
34 section, a dental plan organization that makes a dental benefit  
35 payment to an enrollee for services rendered by an out-of-network  
36 dentist shall issue the payment to the enrollee in accordance with  
37 the time frames set forth in section 9 of P.L.1999, c.154 (C.17:48D-  
38 9.4), and shall, within three days of issuing the payment, provide a  
39 notification to the out-of-network dentist of the amount and date of  
40 the payment and the services for which the payment was made.

41 (2) In the case of a dental plan organization that supplies an  
42 administrative services only contract and makes a dental benefit  
43 payment to an enrollee for services rendered by an out-of-network  
44 dentist under that contract, paragraph (1) of this subsection shall not  
45 apply, but the dental plan organization shall, within three days of  
46 issuing the payment, provide a notification to the out-of-network  
47 dentist of the amount and date of the payment.

1       b. An enrollee may enter into an agreement with an out-of-  
2 network dentist to sign over the dental benefit payment received  
3 from the dental plan organization to the dentist. The agreement  
4 shall:

5       (1) be in writing;

6       (2) be signed by the person who is entitled to receive the dental  
7 benefit payment from the dental plan organization;

8       (3) be retained by the dentist for at least six years following the  
9 date of the most recent payment from the enrollee; and

10       (4) give the enrollee at least 10 business days within which to  
11 sign over the dental benefit to the dentist.

12       c. An enrollee who agrees to sign over a dental benefit  
13 payment in accordance with this section **[,]** shall comply with the  
14 terms of the agreement; except that **[,]** if the enrollee owes the out-  
15 of-network dentist less than the amount of the dental benefit  
16 payment, the enrollee shall pay the dentist the balance owed to the  
17 dentist.

18       d. An enrollee who fails to sign over the dental benefit  
19 payment in accordance with subsections b. and c. of this section **[,]**  
20 shall be liable to the out-of-network dentist for payment of attorney  
21 fees and costs reasonably incurred by the dentist in enforcing the  
22 agreement established pursuant to **[this section]** those subsections.

23       e. (1) With respect to a dental plan organization that makes a  
24 dental benefit payment to an enrollee for services rendered by an  
25 out-of-network dentist, if the enrollee assigns, through an  
26 assignment of benefits, his right to receive reimbursement to an out-  
27 of-network dentist, the dental plan organization shall issue the  
28 payment for the reimbursement directly to the dentist, or in the  
29 alternative, to the dentist and the enrollee as joint payees, with a  
30 signature line for each of the payees. Payment shall be made in  
31 accordance with section 9 of P.L.1999, c.154 (C.17:48D-9.4). Any  
32 payment made only to the enrollee rather than the dentist while such  
33 an assignment of benefits is in effect shall be considered unpaid,  
34 and unless issued to the dentist within the time frames established  
35 by section 9 of P.L.1999, c.154 (C.17:48D-9.4), shall be considered  
36 overdue and subject to interest charges as provided in that section.

37       (2) Nothing in this subsection shall be construed to apply to a  
38 dental plan organization that supplies a self-funded dental services  
39 plan or an administrative services only contract for a self-funded  
40 dental services plan, when making a dental benefit payment to an  
41 enrollee for services rendered by an out-of-network dentist under  
42 that plan or contract.

43 (cf: P.L.2003, c.250, s.2)

44

45       3. Section 3 of P.L.2003, c.250 (C.17:48E-10.2) is amended to  
46 read as follows:

47       3. a. (1) **[A]** Except as provided in subsection e. of this  
48 section, a health service corporation that makes a dental benefit

1 payment to a covered person for services rendered by an out-of-  
2 network dentist shall issue the payment to the covered person in  
3 accordance with the time frames set forth in section 4 of P.L.1999,  
4 c.154 (C.17:48E-10.1), and shall, within three days of issuing the  
5 payment, provide a notification to the out-of-network dentist of the  
6 amount and date of the payment and the services for which the  
7 payment was made.

8 (2) In the case of a health service corporation that supplies an  
9 administrative services only contract and makes a dental benefit  
10 payment to a covered person for services rendered by an out-of-  
11 network dentist under that contract, paragraph (1) of this subsection  
12 shall not apply, but the health service corporation shall, within three  
13 days of issuing the payment, provide a notification to the out-of-  
14 network dentist of the amount and date of the payment.

15 b. A covered person may enter into an agreement with an out-  
16 of-network dentist to sign over the dental benefit payment received  
17 from the health service corporation to the dentist. The agreement  
18 shall:

19 (1) be in writing;

20 (2) be signed by the person who is entitled to receive the dental  
21 benefit payment from the health service corporation;

22 (3) be retained by the dentist for at least six years following the  
23 date of the most recent payment from the covered person; and

24 (4) give the covered person at least 10 business days within  
25 which to sign over the dental benefit to the dentist.

26 c. A covered person who agrees to sign over a dental benefit  
27 payment in accordance with this section **[,]** shall comply with the  
28 terms of the agreement; except that, if the covered person owes the  
29 out-of-network dentist less than the amount of the dental benefit  
30 payment, the covered person shall pay the dentist the balance owed  
31 to the dentist.

32 d. A covered person who fails to sign over the dental benefit  
33 payment in accordance with subsections b. and c. of this section **[,]**  
34 shall be liable to the out-of-network dentist for payment of attorney  
35 fees and costs reasonably incurred by the dentist in enforcing the  
36 agreement established pursuant to **[this section]** those subsections.

37 e. (1) With respect to a health service corporation that makes a  
38 dental benefit payment to a covered person for services rendered by  
39 an out-of-network dentist, if the covered person assigns, through an  
40 assignment of benefits, his right to receive reimbursement to an out-  
41 of-network dentist, the health service corporation shall issue the  
42 payment for the reimbursement directly to the dentist in the form of  
43 a check payable to the dentist, or in the alternative, to the dentist  
44 and the covered person as joint payees, with a signature line for  
45 each of the payees. Payment shall be made in accordance with  
46 section 4 of P.L.1999, c.154 (C.17:48E-10.1). Any payment made  
47 only to the covered person rather than the dentist while such an  
48 assignment of benefits is in effect shall be considered unpaid, and

1 unless issued to the dentist within the time frames established by  
2 section 4 of P.L.1999, c.154 (C.17:48E-10.1), shall be considered  
3 overdue and subject to interest charges as provided in that section.

4 (2) Nothing in this subsection shall be construed to apply to a  
5 health service corporation that supplies a self-funded dental services  
6 plan or an administrative services only contract for a self-funded  
7 dental services plan, when making a dental benefit payment to a  
8 covered person for services rendered by an out-of-network dentist  
9 under that plan or contract.

10 (cf: P.L.2003, c.250, s.3)

11

12 4. This act shall take effect on the 60th day next following  
13 enactment.

14

15

16

STATEMENT

17

18 This bill allows persons covered under dental plans with out-of-  
19 network benefits to assign the right to receive reimbursement from  
20 the plan to an out-of-network dentist.

21 The bill's provisions apply to dental plans provided by dental  
22 service corporations, dental plan organizations, and health service  
23 corporations. Specifically, the bill provides that, if a covered person  
24 assigns, through an assignment of benefits, his right to receive  
25 reimbursement from a dental plan to an out-of-network dentist,  
26 payment for the out-of-network reimbursement shall be issued  
27 directly to the dentist, or in the alternative, to the dentist and the  
28 covered person as joint payees, with a signature line for each of the  
29 payees.

30 The bill provides that these out-of-network payments shall be  
31 made in accordance with current statutory standards regarding the  
32 prompt payment of claims by dental plans. Any payment made only  
33 to the covered person rather than the dentist, in violation of the  
34 bill's provisions, shall be considered unpaid, and unless issued to  
35 the dentist within the time frames established by current prompt  
36 payment standards, shall be considered overdue and subject to  
37 interest charges as provided for under those standards.

38 The bill also clarifies that, unlike insured dental services plans,  
39 self-funded dental services plans are not subject to the bill's  
40 requirements that reimbursement payments be issued directly to  
41 out-of-network dentists that have received an assignment of benefits  
42 from a covered person.

43

44

45

46 Requires dental plans to make out-of-network payments based on  
47 assignment of benefits.

[Corrected Copy]

**SENATE, No. 2524**

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**STATE OF NEW JERSEY**  
**215th LEGISLATURE**

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INTRODUCED FEBRUARY 4, 2013

**Sponsored by:**

**Senator NIA H. GILL**

**District 34 (Essex and Passaic)**

**Senator THOMAS H. KEAN, JR.**

**District 21 (Morris, Somerset and Union)**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**Assemblyman SEAN T. KEAN**

**District 30 (Monmouth and Ocean)**

**Assemblyman TIMOTHY J. EUSTACE**

**District 38 (Bergen and Passaic)**

**SYNOPSIS**

Requires dental plans to make out-of-network payments based on assignment of benefits.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 5/21/2013)**



1 AN ACT concerning assignment of benefits under dental plans and  
2 amending P.L.2003, c.250.

3

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

6

7 1. Section 1 of P.L.2003, c.250 (C.17:48C-8.3) is amended to  
8 read as follows:

9 1. a. (1) **[A]** Except as provided in subsection e. of this  
10 section, a dental service corporation that makes a dental benefit  
11 payment to a covered person for services rendered by an out-of-  
12 network dentist shall issue the payment to the covered person in  
13 accordance with the time frames set forth in section 8 of P.L.1999,  
14 c.154 (C.17:48C-8.1), and shall, within three days of issuing the  
15 payment, provide a notification to the out-of-network dentist of the  
16 amount and date of the payment and the services for which the  
17 payment was made.

18 (2) In the case of a dental service corporation that supplies an  
19 administrative services only contract and makes a dental benefit  
20 payment to a covered person for services rendered by an out-of-  
21 network dentist under that contract, paragraph (1) of this subsection  
22 shall not apply, but the dental service corporation shall, within three  
23 days of issuing the payment, provide a notification to the out-of-  
24 network dentist of the amount and date of the payment.

25 b. A covered person may enter into an agreement with an out-  
26 of-network dentist to sign over the dental benefit payment received  
27 from the dental service corporation to the dentist. The agreement  
28 shall:

29 (1) be in writing;

30 (2) be signed by the person who is entitled to receive the dental  
31 benefit payment from the dental service corporation;

32 (3) be retained by the dentist for at least six years following the  
33 date of the most recent payment from the covered person; and

34 (4) give the covered person at least 10 business days within  
35 which to sign over the dental benefit to the dentist.

36 c. A covered person who agrees to sign over a dental benefit  
37 payment in accordance with this section **[,]** shall comply with the  
38 terms of the agreement; except that, if the covered person owes the  
39 out-of-network dentist less than the amount of the dental benefit  
40 payment, the covered person shall pay the dentist the balance owed  
41 to the dentist.

42 d. A covered person who fails to sign over the dental benefit  
43 payment in accordance with subsections b. and c. of this section **[,]**  
44 shall be liable to the out-of-network dentist for payment of attorney

**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.**

1 fees and costs reasonably incurred by the dentist in enforcing the  
2 agreement established pursuant to **[this section]** those subsections.

3 e. (1) With respect to a dental service corporation that makes a  
4 dental benefit payment to a covered person for services rendered by  
5 an out-of-network dentist, if the covered person assigns, through an  
6 assignment of benefits, his right to receive reimbursement to an out-  
7 of-network dentist, the dental service corporation shall issue the  
8 payment for the reimbursement directly to the dentist in the form of  
9 a check payable to the dentist, or in the alternative, to the dentist  
10 and the covered person as joint payees, with a signature line for  
11 each of the payees. Payment shall be made in accordance with  
12 section 8 of P.L.1999, c.154 (C.17:48C-8.1). Any payment made  
13 only to the covered person rather than the dentist while such an  
14 assignment of benefits is in effect shall be considered unpaid, and  
15 unless issued to the dentist within the time frames established by  
16 section 8 of P.L.1999, c.154 (C.17:48C-8.1), shall be considered  
17 overdue and subject to interest charges as provided in that section.

18 (2) Nothing in this subsection shall be construed to apply to a  
19 dental service corporation that supplies a self-funded dental services  
20 plan or an administrative services only contract for a self-funded  
21 dental services plan, when making a dental benefit payment to a  
22 covered person for services rendered by an out-of-network dentist  
23 under that plan or contract.

24 (cf: P.L.2003, c.250, s.1)

25

26 2. Section 2 of P.L.2003, c.250 (C.17:48D-9.6) is amended to  
27 read as follows:

28 2. a. (1) **[A]** Except as provided in subsection e. of this  
29 section, a dental plan organization that makes a dental benefit  
30 payment to an enrollee for services rendered by an out-of-network  
31 dentist shall issue the payment to the enrollee in accordance with  
32 the time frames set forth in section 9 of P.L.1999, c.154 (C.17:48D-  
33 9.4), and shall, within three days of issuing the payment, provide a  
34 notification to the out-of-network dentist of the amount and date of  
35 the payment and the services for which the payment was made.

36 (2) In the case of a dental plan organization that supplies an  
37 administrative services only contract and makes a dental benefit  
38 payment to an enrollee for services rendered by an out-of-network  
39 dentist under that contract, paragraph (1) of this subsection shall not  
40 apply, but the dental plan organization shall, within three days of  
41 issuing the payment, provide a notification to the out-of-network  
42 dentist of the amount and date of the payment.

43 b. An enrollee may enter into an agreement with an out-of-  
44 network dentist to sign over the dental benefit payment received  
45 from the dental plan organization to the dentist. The agreement  
46 shall:

47 (1) be in writing;

1 (2) be signed by the person who is entitled to receive the dental  
2 benefit payment from the dental plan organization;

3 (3) be retained by the dentist for at least six years following the  
4 date of the most recent payment from the enrollee; and

5 (4) give the enrollee at least 10 business days within which to  
6 sign over the dental benefit to the dentist.

7 c. An enrollee who agrees to sign over a dental benefit  
8 payment in accordance with this section [ , ] shall comply with the  
9 terms of the agreement; except that [ , ] if the enrollee owes the out-  
10 of-network dentist less than the amount of the dental benefit  
11 payment, the enrollee shall pay the dentist the balance owed to the  
12 dentist.

13 d. An enrollee who fails to sign over the dental benefit  
14 payment in accordance with subsections b. and c. of this section [ , ]  
15 shall be liable to the out-of-network dentist for payment of attorney  
16 fees and costs reasonably incurred by the dentist in enforcing the  
17 agreement established pursuant to [this section] those subsections.

18 e. (1) With respect to a dental plan organization that makes a  
19 dental benefit payment to an enrollee for services rendered by an  
20 out-of-network dentist, if the enrollee assigns, through an  
21 assignment of benefits, his right to receive reimbursement to an out-  
22 of-network dentist, the dental plan organization shall issue the  
23 payment for the reimbursement directly to the dentist, or in the  
24 alternative, to the dentist and the enrollee as joint payees, with a  
25 signature line for each of the payees. Payment shall be made in  
26 accordance with section 9 of P.L.1999, c.154 (C.17:48D-9.4). Any  
27 payment made only to the enrollee rather than the dentist while such  
28 an assignment of benefits is in effect shall be considered unpaid,  
29 and unless issued to the dentist within the time frames established  
30 by section 9 of P.L.1999, c.154 (C.17:48D-9.4), shall be considered  
31 overdue and subject to interest charges as provided in that section.

32 (2) Nothing in this subsection shall be construed to apply to a  
33 dental plan organization that supplies a self-funded dental services  
34 plan or an administrative services only contract for a self-funded  
35 dental services plan, when making a dental benefit payment to an  
36 enrollee for services rendered by an out-of-network dentist under  
37 that plan or contract.

38 (cf: P.L.2003, c.250, s.2)

39

40 3. Section 3 of P.L.2003, c.250 (C.17:48E-10.2) is amended to  
41 read as follows:

42 3. a. (1) **[A]** Except as provided in subsection e. of this  
43 section, a health service corporation that makes a dental benefit  
44 payment to a covered person for services rendered by an out-of-  
45 network dentist shall issue the payment to the covered person in  
46 accordance with the time frames set forth in section 4 of P.L.1999,  
47 c.154 (C.17:48E-10.1), and shall, within three days of issuing the

1 payment, provide a notification to the out-of-network dentist of the  
2 amount and date of the payment and the services for which the  
3 payment was made.

4 (2) In the case of a health service corporation that supplies an  
5 administrative services only contract and makes a dental benefit  
6 payment to a covered person for services rendered by an out-of-  
7 network dentist under that contract, paragraph (1) of this subsection  
8 shall not apply, but the health service corporation shall, within three  
9 days of issuing the payment, provide a notification to the out-of-  
10 network dentist of the amount and date of the payment.

11 b. A covered person may enter into an agreement with an out-  
12 of-network dentist to sign over the dental benefit payment received  
13 from the health service corporation to the dentist. The agreement  
14 shall:

15 (1) be in writing;

16 (2) be signed by the person who is entitled to receive the dental  
17 benefit payment from the health service corporation;

18 (3) be retained by the dentist for at least six years following the  
19 date of the most recent payment from the covered person; and

20 (4) give the covered person at least 10 business days within  
21 which to sign over the dental benefit to the dentist.

22 c. A covered person who agrees to sign over a dental benefit  
23 payment in accordance with this section [ , ] shall comply with the  
24 terms of the agreement; except that, if the covered person owes the  
25 out-of-network dentist less than the amount of the dental benefit  
26 payment, the covered person shall pay the dentist the balance owed  
27 to the dentist.

28 d. A covered person who fails to sign over the dental benefit  
29 payment in accordance with subsections b. and c. of this section [ , ]  
30 shall be liable to the out-of-network dentist for payment of attorney  
31 fees and costs reasonably incurred by the dentist in enforcing the  
32 agreement established pursuant to [this section] those subsections.

33 e. (1) With respect to a health service corporation that makes a  
34 dental benefit payment to a covered person for services rendered by  
35 an out-of-network dentist, if the covered person assigns, through an  
36 assignment of benefits, his right to receive reimbursement to an out-  
37 of-network dentist, the health service corporation shall issue the  
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39 a check payable to the dentist, or in the alternative, to the dentist  
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44 assignment of benefits is in effect shall be considered unpaid, and  
45 unless issued to the dentist within the time frames established by  
46 section 4 of P.L.1999, c.154 (C.17:48E-10.1), shall be considered  
47 overdue and subject to interest charges as provided in that section.



SENATE COMMERCE COMMITTEE

STATEMENT TO

**SENATE, No. 2524**

**STATE OF NEW JERSEY**

DATED: MARCH 4, 2013

The Senate Commerce Committee reports favorably Senate Bill No. 2524.

This bill allows persons covered under dental plans with out-of-network benefits to assign the right to receive reimbursement from the plan to an out-of-network dentist.

The bill's provisions apply to dental plans provided by dental service corporations, dental plan organizations, and health service corporations. Specifically, the bill provides that, if a covered person assigns, through an assignment of benefits, his right to receive reimbursement from a dental plan to an out-of-network dentist, payment for the out-of-network reimbursement shall be issued directly to the dentist, or in the alternative, to the dentist and the covered person as joint payees, with a signature line for each of the payees.

The bill provides that these out-of-network payments shall be made in accordance with current statutory standards regarding the prompt payment of claims by dental plans. Any payment made only to the covered person rather than the dentist, in violation of the bill's provisions, shall be considered unpaid, and unless issued to the dentist within the time frames established by current prompt payment standards, shall be considered overdue and subject to interest charges as provided for under those standards.

The bill also clarifies that, unlike insured dental services plans, self-funded dental services plans are not subject to the bill's requirements that reimbursement payments be issued directly to out-of-network dentists that have received an assignment of benefits from a covered person.

# ASSEMBLY, No. 3062

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED SEPTEMBER 24, 2012

**Sponsored by:**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**Assemblyman SEAN T. KEAN**

**District 30 (Monmouth and Ocean)**

**SYNOPSIS**

Requires dental plans to make out-of-network payments based on assignment of benefits.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning assignment of benefits under dental plans and  
2 amending P.L.2003, c.250.

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5 of New Jersey:

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7 1. Section 1 of P.L.2003, c.250 (C.17:48C-8.3) is amended to  
8 read as follows:

9 1. a. (1) **[A]** Except as provided in subsection e. of this section,  
10 a dental service corporation that makes a dental benefit payment to  
11 a covered person for services rendered by an out-of-network dentist  
12 shall issue the payment to the covered person in accordance with  
13 the time frames set forth in section 8 of P.L.1999, c.154 (C.17:48C-  
14 8.1), and shall, within three days of issuing the payment, provide a  
15 notification to the out-of-network dentist of the amount and date of  
16 the payment and the services for which the payment was made.

17 (2) In the case of a dental service corporation that supplies an  
18 administrative services only contract and makes a dental benefit  
19 payment to a covered person for services rendered by an out-of-  
20 network dentist under that contract, paragraph (1) of this subsection  
21 shall not apply, but the dental service corporation shall, within three  
22 days of issuing the payment, provide a notification to the out-of-  
23 network dentist of the amount and date of the payment.

24 b. A covered person may enter into an agreement with an out-  
25 of-network dentist to sign over the dental benefit payment received  
26 from the dental service corporation to the dentist. The agreement  
27 shall:

28 (1) be in writing;

29 (2) be signed by the person who is entitled to receive the dental  
30 benefit payment from the dental service corporation;

31 (3) be retained by the dentist for at least six years following the  
32 date of the most recent payment from the covered person; and

33 (4) give the covered person at least 10 business days within  
34 which to sign over the dental benefit to the dentist.

35 c. A covered person who agrees to sign over a dental benefit  
36 payment in accordance with this section **[,]** shall comply with the  
37 terms of the agreement; except that, if the covered person owes the  
38 out-of-network dentist less than the amount of the dental benefit  
39 payment, the covered person shall pay the dentist the balance owed  
40 to the dentist.

41 d. A covered person who fails to sign over the dental benefit  
42 payment in accordance with this section **[,]** shall be liable to the  
43 out-of-network dentist for payment of attorney fees and costs  
44 reasonably incurred by the dentist in enforcing the agreement  
45 established pursuant to this section.

**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.**



1        e. Notwithstanding the foregoing provisions of this section, with  
2 respect to a dental service corporation that makes a dental benefit  
3 payment to a covered person for services rendered by an out-of-  
4 network dentist, if the covered person assigns, through an  
5 assignment of benefits, his right to receive reimbursement to an out-  
6 of-network dentist, the dental service corporation shall issue the  
7 payment for the reimbursement directly to the dentist in the form of  
8 a check payable to the dentist, or in the alternative, to the dentist  
9 and the covered person as joint payees, with a signature line for  
10 each of the payees. Payment shall be made in accordance with  
11 section 8 of P.L.1999, c.154 (C.17:48C-8.1). Any payment made  
12 only to the covered person rather than the dentist while such an  
13 assignment of benefits is in effect shall be considered unpaid, and  
14 unless issued to the dentist within the time frames established by  
15 section 8 of P.L.1999, c.154 (C.17:48C-8.1), shall be considered  
16 overdue and subject to interest charges as provided in that section.

17 (cf: P.L.2003, c.250, s.1)

18

19        2. Section 2 of P.L.2003, c.250 (C.17:48D-9.6) is amended to  
20 read as follows:

21        2. a. (1) **[A]** Except as provided in subsection e. of this section,  
22 a dental plan organization that makes a dental benefit payment to an  
23 enrollee for services rendered by an out-of-network dentist shall  
24 issue the payment to the enrollee in accordance with the time  
25 frames set forth in section 9 of P.L.1999, c.154 (C.17:48D-9.4), and  
26 shall, within three days of issuing the payment, provide a  
27 notification to the out-of-network dentist of the amount and date of  
28 the payment and the services for which the payment was made.

29        (2) In the case of a dental plan organization that supplies an  
30 administrative services only contract and makes a dental benefit  
31 payment to an enrollee for services rendered by an out-of-network  
32 dentist under that contract, paragraph (1) of this subsection shall not  
33 apply, but the dental plan organization shall, within three days of  
34 issuing the payment, provide a notification to the out-of-network  
35 dentist of the amount and date of the payment.

36        b. An enrollee may enter into an agreement with an out-of-  
37 network dentist to sign over the dental benefit payment received  
38 from the dental plan organization to the dentist. The agreement  
39 shall:

40        (1) be in writing;

41        (2) be signed by the person who is entitled to receive the dental  
42 benefit payment from the dental plan organization;

43        (3) be retained by the dentist for at least six years following the  
44 date of the most recent payment from the enrollee; and

45        (4) give the enrollee at least 10 business days within which to  
46 sign over the dental benefit to the dentist.

47        c. An enrollee who agrees to sign over a dental benefit  
48 payment in accordance with this section **[,]** shall comply with the

1 terms of the agreement; except that **[,]** if the enrollee owes the out-  
2 of-network dentist less than the amount of the dental benefit  
3 payment, the enrollee shall pay the dentist the balance owed to the  
4 dentist.

5 d. An enrollee who fails to sign over the dental benefit  
6 payment in accordance with this section **[,]** shall be liable to the  
7 out-of-network dentist for payment of attorney fees and costs  
8 reasonably incurred by the dentist in enforcing the agreement  
9 established pursuant to this section.

10 e. Notwithstanding the foregoing provisions of this section, with  
11 respect to a dental plan organization that makes a dental benefit  
12 payment to an enrollee for services rendered by an out-of-network  
13 dentist, if the enrollee assigns, through an assignment of benefits,  
14 his right to receive reimbursement to an out-of-network dentist, the  
15 dental plan organization shall issue the payment for the  
16 reimbursement directly to the dentist, or in the alternative, to the  
17 dentist and the enrollee as joint payees, with a signature line for  
18 each of the payees. Payment shall be made in accordance with  
19 section 9 of P.L.1999, c.154 (C.17:48D-9.4). Any payment made  
20 only to the enrollee rather than the dentist while such an assignment  
21 of benefits is in effect shall be considered unpaid, and unless issued  
22 to the dentist within the time frames established by section 9 of  
23 P.L.1999, c.154 (C.17:48D-9.4), shall be considered overdue and  
24 subject to interest charges as provided in that section.

25 (cf: P.L.2003, c.250, s.2)

26

27 3. Section 3 of P.L.2003, c.250 (C.17:48E-10.2) is amended to  
28 read as follows:

29 3. a. (1) **[A]** Except as provided in subsection e. of this section,  
30 a health service corporation that makes a dental benefit payment to  
31 a covered person for services rendered by an out-of-network dentist  
32 shall issue the payment to the covered person in accordance with  
33 the time frames set forth in section 4 of P.L.1999, c.154 (C.17:48E-  
34 10.1), and shall, within three days of issuing the payment, provide a  
35 notification to the out-of-network dentist of the amount and date of  
36 the payment and the services for which the payment was made.

37 (2) In the case of a health service corporation that supplies an  
38 administrative services only contract and makes a dental benefit  
39 payment to a covered person for services rendered by an out-of-  
40 network dentist under that contract, paragraph (1) of this subsection  
41 shall not apply, but the health service corporation shall, within three  
42 days of issuing the payment, provide a notification to the out-of-  
43 network dentist of the amount and date of the payment.

44 b. A covered person may enter into an agreement with an out-  
45 of-network dentist to sign over the dental benefit payment received  
46 from the health service corporation to the dentist. The agreement  
47 shall:

48 (1) be in writing;

- 1 (2) be signed by the person who is entitled to receive the dental  
2 benefit payment from the health service corporation;
- 3 (3) be retained by the dentist for at least six years following the  
4 date of the most recent payment from the covered person; and
- 5 (4) give the covered person at least 10 business days within  
6 which to sign over the dental benefit to the dentist.
- 7 c. A covered person who agrees to sign over a dental benefit  
8 payment in accordance with this section [ , ] shall comply with the  
9 terms of the agreement; except that, if the covered person owes the  
10 out-of-network dentist less than the amount of the dental benefit  
11 payment, the covered person shall pay the dentist the balance owed  
12 to the dentist.
- 13 d. A covered person who fails to sign over the dental benefit  
14 payment in accordance with this section [ , ] shall be liable to the  
15 out-of-network dentist for payment of attorney fees and costs  
16 reasonably incurred by the dentist in enforcing the agreement  
17 established pursuant to this section.
- 18 e. Notwithstanding the foregoing provisions of this section, with  
19 respect to a health service corporation that makes a dental benefit  
20 payment to a covered person for services rendered by an out-of-  
21 network dentist, if the covered person assigns, through an  
22 assignment of benefits, his right to receive reimbursement to an out-  
23 of-network dentist, the health service corporation shall issue the  
24 payment for the reimbursement directly to the dentist in the form of  
25 a check payable to the dentist, or in the alternative, to the dentist  
26 and the covered person as joint payees, with a signature line for  
27 each of the payees. Payment shall be made in accordance with  
28 section 4 of P.L.1999, c.154 (C.17:48E-10.1). Any payment made  
29 only to the covered person rather than the dentist while such an  
30 assignment of benefits is in effect shall be considered unpaid, and  
31 unless issued to the dentist within the time frames established by  
32 section 4 of P.L.1999, c.154 (C.17:48E-10.1), shall be considered  
33 overdue and subject to interest charges as provided in that section.  
34 (cf: P.L.2003, c.250, s.3)

35  
36 4. This act shall take effect on the 60th day next following  
37 enactment.

38  
39  
40 STATEMENT

41  
42 This bill allows persons covered under dental plans with out-of-  
43 network benefits to assign the right to receive reimbursement from  
44 the plan to an out-of-network dentist.

45 The bill's provisions apply to dental plans provided by dental  
46 service corporations, dental plan organizations, and health service  
47 corporations. Specifically, the bill provides that, if a covered person  
48 assigns, through an assignment of benefits, his right to receive

1 reimbursement from a dental plan to an out-of-network dentist,  
2 payment for the out-of-network reimbursement shall be issued  
3 directly to the dentist, or in the alternative, to the dentist and the  
4 covered person as joint payees, with a signature line for each of the  
5 payees.

6 The bill provides that these out-of-network payments shall be  
7 made in accordance with current statutory standards regarding the  
8 prompt payment of claims by dental plans. Any payment made only  
9 to the covered person rather than the dentist, in violation of the  
10 bill's provisions, shall be considered unpaid, and unless issued to  
11 the dentist within the time frames established by current prompt  
12 payment standards, shall be considered overdue and subject to  
13 interest charges as provided for under those standards.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3062**

**STATE OF NEW JERSEY**

DATED: JANUARY 14, 2013

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 3062.

This bill allows persons covered under dental plans with out-of-network benefits to assign the right to receive reimbursement from the plan to an out-of-network dentist.

The bill's provisions apply to dental plans provided by dental service corporations, dental plan organizations, and health service corporations. Specifically, the bill provides that, if a covered person assigns, through an assignment of benefits, his right to receive reimbursement from a dental plan to an out-of-network dentist, payment for the out-of-network reimbursement shall be issued directly to the dentist, or in the alternative, to the dentist and the covered person as joint payees, with a signature line for each of the payees.

The bill provides that these out-of-network payments shall be made in accordance with current statutory standards regarding the prompt payment of claims by dental plans. Any payment made only to the covered person rather than the dentist, in violation of the bill's provisions, shall be considered unpaid, and unless issued to the dentist within the time frames established by current prompt payment standards, shall be considered overdue and subject to interest charges as provided for under those standards.

STATEMENT TO  
**ASSEMBLY, No. 3062**

with Assembly Floor Amendments  
(Proposed by Assemblymen SCHAER and S.KEAN)

ADOPTED: JANUARY 28, 2013

The amendments clarify that, unlike insured dental services plans, self-funded dental services plans are not subject to the bill's requirements that reimbursement payments be issued directly to out-of-network dentists that have received an assignment of benefits from a covered person.