

17:48C-2 et al
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2015 **CHAPTER:** 148

NJSA: 17:48C-2 et al (Revises certain provisions of dental service corporation law.)

BILL NO: A4089 (Substituted for S2693 (1R))

SPONSOR(S) Coughlin, Craig J., and others

DATE INTRODUCED: January 13, 2015

COMMITTEE: **ASSEMBLY:** Regulated Professions
Financial Institutions and Insurance

SENATE: Commerce

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 3/26/2015

SENATE: 5/18/2015

DATE OF APPROVAL: November 9, 2015

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Second Reprint enacted) Yes

A4089

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

S2693 (1R)

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

end

P.L.2015, CHAPTER 148, *approved November 9, 2015*
Assembly, No. 4089 (*Second Reprint*)

1 AN ACT concerning dental service corporations and amending
2 P.L.1968, c.305.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 2 of P.L.1968, c.305 (C.17:48C-2) is amended to
8 read as follows:

9 2. As used in this act the following words and phrases shall
10 have the stated meanings unless a different meaning clearly appears
11 from the context:

12 (a) The term "dental service corporation" or "the corporation"
13 shall mean a corporation which is (1) organized, without capital
14 stock, and not for profit, for the purpose of establishing,
15 maintaining and operating a nonprofit dental service plan, whereby
16 the expense of dental services to subscribers and other covered
17 dependents is paid in whole or in part by the corporation to
18 participating dentists and to others as provided herein in return for
19 premiums or other valuable considerations, and which (2) holds a
20 certificate of authority issued under this act;

21 (b) The term "subscriber" shall mean a person to whom a
22 subscription certificate is issued by the corporation and which sets
23 forth the kinds and extent of the dental services for which the
24 corporation is liable to make and which constitutes the contract
25 between the subscriber and the corporation;

26 (c) The term "covered dependent" shall mean the spouse, civil
27 union partner, or domestic partner, former spouse , former civil
28 union partner, or former domestic partner for **[whose support]**
29 whom the subscriber is legally liable to provide dental coverage, an
30 adult dependent or a child of the subscriber who is named in the
31 subscription certificate issued to the subscriber and with respect to
32 whom appropriate premium is specified in the certificate;

33 (d) The term "participating dentist" shall mean any dentist
34 authorized to practice dentistry under the laws of this State and who
35 agrees in writing with the corporation to provide the dental services
36 specified in the subscription certificates issued by the corporation
37 and at such rates of compensation as shall be determined by its
38 board of trustees and who agrees to abide by the by-laws, rules and
39 regulations of the corporation applicable to participating dentists ,
40 which rules and regulations may exclude a dentist: (1) who is

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 AFI committee amendments adopted February 5, 2015.

²Assembly floor amendments adopted February 23, 2015.

1 suspended, debarred, or otherwise ineligible to participate in or
2 provide services to persons covered by or receive payment from a
3 government health care program, or (2) whose participation violates
4 one or more standards established in accordance with State or
5 federal laws or regulations;

6 (e) The term "dental service" shall mean any and all general and
7 special dental services ordinarily provided by such licensed dentists
8 in accordance with accepted practices in the community at the time
9 the service is rendered.

10 (f) The term "commissioner" shall mean the Commissioner of
11 Banking and Insurance.

12 (cf: P.L.1980, c.113, s.5)

13

14 2. Section 5 of P.L.1968, c.305 (C.17:48C-5) is amended to
15 read as follows:

16 5. In reviewing any application for authority to operate under
17 this act, the commissioner shall be guided by the following
18 standards:

19 (a) It shall be shown that the initial working funds are adequate.
20 No certificate of authority shall be issued to any applicant therefore
21 except on receipt of evidence by the commissioner that such
22 applicant is in possession of unencumbered funds of not less than
23 \$25,000.00 and that such amount is held in cash or in bank to its
24 credit. From and after the issuance of a certificate of authority to an
25 applicant, the corporation shall maintain such amount as a general
26 surplus over and above its reserves, liabilities, and special
27 contingent surplus.

28 (b) It shall be shown that the applicant has enlisted a sufficient
29 number of participating dentists, with skills in appropriate fields
30 and accessible to subscribers, to indicate ability to render the
31 intended dental service. In carrying out the intent of this section the
32 commissioner shall determine that at least 100 dentists have agreed
33 to participate.

34 (c) It shall be shown that the applicant will accept as a
35 participating dentist any dentist who is authorized to practice
36 dentistry in the jurisdiction where his services are to be rendered,
37 and **【who】** is ready, available and willing to render dental service to
38 be provided under a contract or contracts ; provided, however, that
39 any dentist who is suspended, debarred, or otherwise ineligible to
40 participate in or provide services to persons covered by or receive
41 payment from a governmental health care program, and any dentist
42 whose participation would violate one or more standards established
43 in accordance with State or federal laws or regulations need not be
44 accepted as a participating dentist.

45 (cf: P.L.1968, c.305, s.5)

46

47 3. Section 6 of P.L.1968, c.305 (C.17:48C-6) is amended to
48 read as follows:

1 6. The activities and operations of a dental service corporation
2 shall be conducted by a board of trustees composed initially of an
3 even number of persons, not less than **[14]** 10 in all, as may be
4 specified in the certificate of incorporation or an amendment
5 thereto, 1/2 of whom shall be persons who are licensed to practice
6 dentistry in this State and who are holders of active registration
7 certificates in good standing. The initial members of the board shall
8 elect one additional person to serve as chairman of the board to
9 preside at all meetings of the board, and who shall be a member of
10 the board and participate in its work and functions, except that he
11 shall cast no vote on any matter coming before the board except in
12 case of a tie in the votes cast by the other members of the board.
13 The offering and operation of contracts and agreements under the
14 authority of this act shall not constitute the practice of dentistry.
15 (cf: P.L.1968, c.305, s.6)

16
17 4. Section 7 of P.L.1968, c.305 (C.17:48C-7) is amended to
18 read as follows:

19 7. Every contract made by any dental service corporation to
20 provide payment for dental service shall provide for the payment
21 for dental service for a period of 12 months or less, and no contract
22 shall be made providing for the inception of such services at a date
23 later than one year after the actual date of the making of such
24 contract. Any such contract may provide that it shall be
25 automatically renewed from year to year unless there shall have
26 been 90 days' prior written notice of termination by either the
27 subscriber or the corporation. No contract between the corporation
28 and a subscriber shall provide for payment for dental services for
29 more than one person, except that a family contract may provide
30 that payment will be made for dental services rendered to a
31 subscriber **[and]** , or covered dependents , or both.
32 (cf: P.L.1968, c.305, s.7)

33
34 5. Section 15 of P.L.1968, c.305 (C.17:48C-15) is amended to
35 read as follows:

36 15. No dental service corporation shall enter into any contract
37 with a subscriber unless and until it shall have filed with the
38 commissioner a copy of the agreement proposed to be entered into
39 by the corporation and the participating dentists. Every such
40 agreement shall provide for the payment of dental services to
41 subscribers and covered dependents to the end of the subscription
42 certificate year; that 30 days' written notice of termination of such
43 agreement may be given to the corporation at any time by any
44 participating dentist but shall not apply to any subscription
45 certificate in force at the time of such notice until the first date
46 thereafter when such subscription certificate may properly be
47 terminated by the corporation, and that the agreement of the dentist
48 to render such service to the end of any certificate year shall not be

1 affected by cessation of the transaction of business by reason of
2 appropriate resolution of the board of trustees, or directors of such
3 corporation, injunction issued by a court of competent authority,
4 legislative act or by any other exercise of judicial, administrative or
5 legislative authority; provided, that this requirement shall not apply
6 to any subscription certificate which is not maintained in force by
7 the payment of premiums required thereby. There shall be included
8 in the minutes of the board of trustees of every dental service
9 corporation a record of the approval of payments to be made to
10 participating dentists. The corporation shall maintain in its office
11 complete records of all the dental services rendered to subscribers
12 and covered dependents in such form as will indicate the kind of
13 services rendered, the amounts claimed for such services by the
14 participating dentists, and the amounts paid by the corporation
15 during the preceding seven year period. No payment to any
16 participating dentists shall be authorized by the board of trustees
17 except in accordance with a plan of payments adopted by the board
18 **[,] and** recorded in the minutes of a meeting **[],** and filed with the
19 commissioner**].** Every dental service corporation shall furnish a
20 copy of the plan of payments to the commissioner at the
21 commissioner's request. If the commissioner at any time shall
22 notify the corporation of his disapproval of any rate of payment
23 included in the plan of payments as being excessive or inadequate
24 in itself or in relation to other rates of payment, payment shall not
25 thereafter be made at the rate. In making his determination the
26 commissioner shall give consideration to prevailing rates of
27 payment by insurers and hospital, medical and dental service
28 corporations of this and other States for similar services under
29 similar conditions, the fair relationships of the values of the
30 different kinds of services covered in the plan of payments and any
31 other relevant facts. **[At the time of filing a plan and thereafter**
32 **upon]** Upon request of the commissioner, the corporation shall
33 furnish to the commissioner such information as the commissioner
34 shall specify to facilitate review of **[the]** any plan of payments.
35 (cf: P.L.1968, c.305, s.15)

36
37 6. Section 16 of P.L.1968, c.305 (C.17:48C-16) is amended to
38 read as follows:

39 16. A dental service corporation may also issue to a policyholder
40 a group contract, covering at least **[10 employees]** one employee
41 **'[or]'** **[members]** **'[member,]'** other than a **'[sole]'** proprietor, a
42 partner in a partnership or a shareholder that owns more than two
43 percent of the shares of a Subchapter S corporation, ²or at least 10
44 members of any other eligible group, ² as well as immediate family
45 members of those individuals at the date of issue, if it conforms to
46 the following description:

1 (a) A contract issued to an employer or to the trustees of a fund
2 established by one or more employers, or issued to a labor union, or
3 issued to an association formed for purposes other than obtaining
4 such contract, or issued to the trustees of a fund established by one
5 or more labor unions or by one or more employers and one or more
6 labor unions, covering employees and members of associations or
7 labor unions.

8 (b) A contract issued to cover any other group which the
9 commissioner determines may be covered in accordance with sound
10 underwriting principles.

11 Benefits may be provided for one or more members of the
12 families or one or more dependents of persons who may be covered
13 under a group contract referred to in (a) or (b) above.

14 The contract may provide that the term "employees" shall
15 include as employees of a single employer the employees of one or
16 more subsidiary corporations and the employees, individual
17 proprietors and partners of affiliated corporations, proprietorships
18 and partnerships if the business of the employer and such
19 corporations, proprietorships or partnerships is under common
20 control through stock ownership, contract or otherwise. The
21 contract may provide that the term "employees" shall include the
22 individual proprietor or partners of an individual proprietorship or a
23 partnership. The contract may provide that the term "employees"
24 shall include retired employees. A contract issued to trustees may
25 provide that the term "employees" shall include the trustees or their
26 employees, or both, if their duties are principally connected with
27 such trusteeship. A contract issued to the trustees of a fund
28 established by the members of an association of employers may
29 provide that the term "employees" shall include the employees of
30 the association.

31 (cf: P.L.1968, c.305, s.16)

32

33 7. Section 18 of P.L.1968, c.305 (C.17:48C-18) is amended to
34 read as follows:

35 18. Every group contract entered into by a dental service
36 corporation with any policyholder shall be in writing and a contract
37 form stating the terms and conditions thereof shall be furnished to
38 the policyholder to be kept by him. No group contract form shall be
39 used unless it contains the following provisions:

40 (a) A statement of the contract rate payable to the dental service
41 corporation **【by or on behalf of the policyholder】** for the original
42 period of coverage, the time or times at which, the manner in which,
43 the contract rate due is to be paid, and the basis, if any, on which
44 the rate may subsequently be adjusted;

45 (b) A provision that all contract rates due under the contract
46 shall be paid **【by the policyholder, or by the designated**
47 **representative of the policyholder,】** to the dental service

1 corporation on or before the due date thereof or within such period
2 of grace as may be specified therein;

3 (c) A statement of the nature of the dental services to be paid for
4 and the period during which such payments will be made, and if
5 there are any services to be excepted, a detailed statement of such
6 exceptions;

7 (d) A provision that the contract, any endorsements or riders
8 thereto, the application of the policyholder in whose name the
9 contract is issued, a copy of which shall be attached to the contract,
10 and the individual applications, if any, of the employees or
11 members shall constitute the entire contract between the parties and
12 that all statements contained in any such application for coverage
13 shall be deemed representations and not warranties;

14 (e) A provision that there shall be issued to the policyholder, for
15 delivery to the employee or member, a certificate or other document
16 which sets forth or summarizes the essential features of the
17 coverage including the time, place and method for making claims
18 for benefits;

19 (f) A provision that all new employees or new members, as the
20 case may be, in the groups or classes eligible for the coverage must
21 be added to the eligible groups or classes;

22 (g) A statement of the terms and conditions, if any, upon which
23 the contract may be terminated or amended. Any notice to the
24 policyholder shall be effective if sent by mail to the policyholder's
25 address as shown at the time on the corporation's records. The
26 notice to the policyholder as herein required shall be sent at least 30
27 days before the termination or amendment of the contract takes
28 effect.

29 Any such group contract may contain a provision that all dental
30 services paid for by a dental service corporation shall be in
31 accordance with the accepted dental practices in the community at
32 the time, but the corporation shall not be liable for injuries resulting
33 from negligence, misfeasance, malfeasance, nonfeasance or
34 malpractice on the part of any officer or employee or on the part of
35 any dentist or others engaged by him in the course of rendering
36 dental services to persons covered.

37 Any dental service corporation may classify persons covered
38 whereby under specified circumstances a covered person may pay a
39 participating dentist for dental services an amount in addition to
40 that payable by the corporation for dental services and the group
41 contract shall contain the provisions thereof and specify such
42 circumstances.

43 (cf: P.L.1968, c.305, s.18)

44

45 8. Section 21 of P.L.1968, c.305 (C.17:48C-21) is amended to
46 read as follows:

47 21. No dental service corporation shall issue group contracts
48 which are not experience rated pursuant to **sections 19 or section**

1 20 of this act, [until it shall have filed with the commissioner a full
2 schedule of the rates which are to apply to such contracts. The
3 commissioner may disapprove such schedule at any time if he finds
4 that such] if the commissioner has determined that those rates are
5 excessive, inadequate or unfairly discriminatory. A dental service
6 corporation shall furnish any schedule of rates to the commissioner
7 upon request. It shall be unlawful for any corporation to effect any
8 such group contract according to [such] rates [thereafter] which
9 have been disapproved by the commissioner.

10 (cf: P.L.1968, c.305, s.21)

11

12 9. This act shall take effect immediately, and apply to dental
13 service corporation contracts entered into or renewed after the date
14 of enactment.

15

16

17

18

19

Revises certain provisions of dental service corporation law.

ASSEMBLY, No. 4089

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED JANUARY 13, 2015

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman JACK M. CIATTARELLI

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Revises certain provisions of dental service corporation law.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/6/2015)

1 AN ACT concerning dental service corporations and amending
2 P.L.1968, c.305.

3

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

6

7 1. Section 2 of P.L.1968, c.305 (C.17:48C-2) is amended to
8 read as follows:

9 2. As used in this act the following words and phrases shall
10 have the stated meanings unless a different meaning clearly appears
11 from the context:

12 (a) The term "dental service corporation" or "the corporation"
13 shall mean a corporation which is (1) organized, without capital
14 stock, and not for profit, for the purpose of establishing,
15 maintaining and operating a nonprofit dental service plan, whereby
16 the expense of dental services to subscribers and other covered
17 dependents is paid in whole or in part by the corporation to
18 participating dentists and to others as provided herein in return for
19 premiums or other valuable considerations, and which (2) holds a
20 certificate of authority issued under this act;

21 (b) The term "subscriber" shall mean a person to whom a
22 subscription certificate is issued by the corporation and which sets
23 forth the kinds and extent of the dental services for which the
24 corporation is liable to make and which constitutes the contract
25 between the subscriber and the corporation;

26 (c) The term "covered dependent" shall mean the spouse, civil
27 union partner, or domestic partner, former spouse, former civil
28 union partner, or former domestic partner for **[whose support]**
29 whom the subscriber is legally liable to provide dental coverage, an
30 adult dependent or a child of the subscriber who is named in the
31 subscription certificate issued to the subscriber and with respect to
32 whom appropriate premium is specified in the certificate;

33 (d) The term "participating dentist" shall mean any dentist
34 authorized to practice dentistry under the laws of this State and who
35 agrees in writing with the corporation to provide the dental services
36 specified in the subscription certificates issued by the corporation
37 and at such rates of compensation as shall be determined by its
38 board of trustees and who agrees to abide by the by-laws, rules and
39 regulations of the corporation applicable to participating dentists, and
40 which rules and regulations may exclude a dentist: (1) who is
41 suspended, debarred, or otherwise ineligible to participate in or
42 provide services to persons covered by or receive payment from a
43 government health care program, or (2) whose participation violates
44 one or more standards established in accordance with State or
45 federal laws or regulations;

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) The term "dental service" shall mean any and all general and
2 special dental services ordinarily provided by such licensed dentists
3 in accordance with accepted practices in the community at the time
4 the service is rendered.

5 (f) The term "commissioner" shall mean the Commissioner of
6 Banking and Insurance.
7 (cf: P.L.1980, c.113, s.5)

8
9 2. Section 5 of P.L.1968, c.305 (C.17:48C-5) is amended to
10 read as follows:

11 5. In reviewing any application for authority to operate under
12 this act, the commissioner shall be guided by the following
13 standards:

14 (a) It shall be shown that the initial working funds are adequate.
15 No certificate of authority shall be issued to any applicant therefore
16 except on receipt of evidence by the commissioner that such
17 applicant is in possession of unencumbered funds of not less than
18 \$25,000.00 and that such amount is held in cash or in bank to its
19 credit. From and after the issuance of a certificate of authority to an
20 applicant, the corporation shall maintain such amount as a general
21 surplus over and above its reserves, liabilities, and special
22 contingent surplus.

23 (b) It shall be shown that the applicant has enlisted a sufficient
24 number of participating dentists, with skills in appropriate fields
25 and accessible to subscribers, to indicate ability to render the
26 intended dental service. In carrying out the intent of this section the
27 commissioner shall determine that at least 100 dentists have agreed
28 to participate.

29 (c) It shall be shown that the applicant will accept as a
30 participating dentist any dentist who is authorized to practice
31 dentistry in the jurisdiction where his services are to be rendered,
32 and **【who】** is ready, available and willing to render dental service to
33 be provided under a contract or contracts ; provided, however, that
34 any dentist who is suspended, debarred, or otherwise ineligible to
35 participate in or provide services to persons covered by or receive
36 payment from a governmental health care program, and any dentist
37 whose participation would violate one or more standards established
38 in accordance with State or federal laws or regulations need not be
39 accepted as a participating dentist.

40 (cf: P.L.1968, c.305, s.5)

41
42 3. Section 6 of P.L.1968, c.305 (C.17:48C-6) is amended to
43 read as follows:

44 6. The activities and operations of a dental service corporation
45 shall be conducted by a board of trustees composed initially of an
46 even number of persons, not less than **【14】** 10 in all, as may be
47 specified in the certificate of incorporation or an amendment
48 thereto, 1/2 of whom shall be persons who are licensed to practice

1 dentistry in this State and who are holders of active registration
2 certificates in good standing. The initial members of the board shall
3 elect one additional person to serve as chairman of the board to
4 preside at all meetings of the board, and who shall be a member of
5 the board and participate in its work and functions, except that he
6 shall cast no vote on any matter coming before the board except in
7 case of a tie in the votes cast by the other members of the board.
8 The offering and operation of contracts and agreements under the
9 authority of this act shall not constitute the practice of dentistry.
10 (cf: P.L.1968, c.305, s.6)

11
12 4. Section 7 of P.L.1968, c.305 (C.17:48C-7) is amended to
13 read as follows:

14 7. Every contract made by any dental service corporation to
15 provide payment for dental service shall provide for the payment
16 for dental service for a period of 12 months or less, and no contract
17 shall be made providing for the inception of such services at a date
18 later than one year after the actual date of the making of such
19 contract. Any such contract may provide that it shall be
20 automatically renewed from year to year unless there shall have
21 been 90 days' prior written notice of termination by either the
22 subscriber or the corporation. No contract between the corporation
23 and a subscriber shall provide for payment for dental services for
24 more than one person, except that a family contract may provide
25 that payment will be made for dental services rendered to a
26 subscriber **[and]** , or covered dependents , or both.
27 (cf: P.L.1968, c.305, s.7)

28
29 5. Section 15 of P.L.1968, c.305 (C.17:48C-15) is amended to
30 read as follows:

31 15. No dental service corporation shall enter into any contract
32 with a subscriber unless and until it shall have filed with the
33 commissioner a copy of the agreement proposed to be entered into
34 by the corporation and the participating dentists. Every such
35 agreement shall provide for the payment of dental services to
36 subscribers and covered dependents to the end of the subscription
37 certificate year; that 30 days' written notice of termination of such
38 agreement may be given to the corporation at any time by any
39 participating dentist but shall not apply to any subscription
40 certificate in force at the time of such notice until the first date
41 thereafter when such subscription certificate may properly be
42 terminated by the corporation, and that the agreement of the dentist
43 to render such service to the end of any certificate year shall not be
44 affected by cessation of the transaction of business by reason of
45 appropriate resolution of the board of trustees, or directors of such
46 corporation, injunction issued by a court of competent authority,
47 legislative act or by any other exercise of judicial, administrative or
48 legislative authority; provided, that this requirement shall not apply

1 to any subscription certificate which is not maintained in force by
2 the payment of premiums required thereby. There shall be included
3 in the minutes of the board of trustees of every dental service
4 corporation a record of the approval of payments to be made to
5 participating dentists. The corporation shall maintain in its office
6 complete records of all the dental services rendered to subscribers
7 and covered dependents in such form as will indicate the kind of
8 services rendered, the amounts claimed for such services by the
9 participating dentists, and the amounts paid by the corporation
10 during the preceding seven year period. No payment to any
11 participating dentists shall be authorized by the board of trustees
12 except in accordance with a plan of payments adopted by the board
13 **[,] and** recorded in the minutes of a meeting **[,] and** filed with the
14 commissioner**].** Every dental service corporation shall furnish a
15 copy of the plan of payments to the commissioner at the
16 commissioner's request. If the commissioner at any time shall
17 notify the corporation of his disapproval of any rate of payment
18 included in the plan of payments as being excessive or inadequate
19 in itself or in relation to other rates of payment, payment shall not
20 thereafter be made at the rate. In making his determination the
21 commissioner shall give consideration to prevailing rates of
22 payment by insurers and hospital, medical and dental service
23 corporations of this and other States for similar services under
24 similar conditions, the fair relationships of the values of the
25 different kinds of services covered in the plan of payments and any
26 other relevant facts. **[At the time of filing a plan and thereafter**
27 **upon]** Upon request of the commissioner, the corporation shall
28 furnish to the commissioner such information as the commissioner
29 shall specify to facilitate review of **[the]** any plan of payments.
30 (cf: P.L.1968, c.305, s.15)

31

32 6. Section 16 of P.L.1968, c.305 (C.17:48C-16) is amended to
33 read as follows:

34 16. A dental service corporation may also issue to a policyholder
35 a group contract, covering at least **[10 employees]** one employee or
36 **[members]** member, other than a sole proprietor, a partner in a
37 partnership or a shareholder that owns more than two percent of the
38 shares of a Subchapter S corporation, as well as immediate family
39 members of those individuals at the date of issue, if it conforms to
40 the following description:

41 (a) A contract issued to an employer or to the trustees of a fund
42 established by one or more employers, or issued to a labor union, or
43 issued to an association formed for purposes other than obtaining
44 such contract, or issued to the trustees of a fund established by one
45 or more labor unions or by one or more employers and one or more
46 labor unions, covering employees and members of associations or
47 labor unions.

1 (b) A contract issued to cover any other group which the
2 commissioner determines may be covered in accordance with sound
3 underwriting principles.

4 Benefits may be provided for one or more members of the
5 families or one or more dependents of persons who may be covered
6 under a group contract referred to in (a) or (b) above.

7 The contract may provide that the term "employees" shall
8 include as employees of a single employer the employees of one or
9 more subsidiary corporations and the employees, individual
10 proprietors and partners of affiliated corporations, proprietorships
11 and partnerships if the business of the employer and such
12 corporations, proprietorships or partnerships is under common
13 control through stock ownership, contract or otherwise. The
14 contract may provide that the term "employees" shall include the
15 individual proprietor or partners of an individual proprietorship or a
16 partnership. The contract may provide that the term "employees"
17 shall include retired employees. A contract issued to trustees may
18 provide that the term "employees" shall include the trustees or their
19 employees, or both, if their duties are principally connected with
20 such trusteeship. A contract issued to the trustees of a fund
21 established by the members of an association of employers may
22 provide that the term "employees" shall include the employees of
23 the association.

24 (cf: P.L.1968, c.305, s.16)

25

26 7. Section 18 of P.L.1968, c.305 (C.17:48C-18) is amended to
27 read as follows:

28 18. Every group contract entered into by a dental service
29 corporation with any policyholder shall be in writing and a contract
30 form stating the terms and conditions thereof shall be furnished to
31 the policyholder to be kept by him. No group contract form shall be
32 used unless it contains the following provisions:

33 (a) A statement of the contract rate payable to the dental service
34 corporation **【by or on behalf of the policyholder】** for the original
35 period of coverage, the time or times at which, the manner in which,
36 the contract rate due is to be paid, and the basis, if any, on which
37 the rate may subsequently be adjusted;

38 (b) A provision that all contract rates due under the contract
39 shall be paid **【by the policyholder, or by the designated
40 representative of the policyholder,】** to the dental service
41 corporation on or before the due date thereof or within such period
42 of grace as may be specified therein;

43 (c) A statement of the nature of the dental services to be paid for
44 and the period during which such payments will be made, and if
45 there are any services to be excepted, a detailed statement of such
46 exceptions;

47 (d) A provision that the contract, any endorsements or riders
48 thereto, the application of the policyholder in whose name the

1 contract is issued, a copy of which shall be attached to the contract,
2 and the individual applications, if any, of the employees or
3 members shall constitute the entire contract between the parties and
4 that all statements contained in any such application for coverage
5 shall be deemed representations and not warranties;

6 (e) A provision that there shall be issued to the policyholder, for
7 delivery to the employee or member, a certificate or other document
8 which sets forth or summarizes the essential features of the
9 coverage including the time, place and method for making claims
10 for benefits;

11 (f) A provision that all new employees or new members, as the
12 case may be, in the groups or classes eligible for the coverage must
13 be added to the eligible groups or classes;

14 (g) A statement of the terms and conditions, if any, upon which
15 the contract may be terminated or amended. Any notice to the
16 policyholder shall be effective if sent by mail to the policyholder's
17 address as shown at the time on the corporation's records. The
18 notice to the policyholder as herein required shall be sent at least 30
19 days before the termination or amendment of the contract takes
20 effect.

21 Any such group contract may contain a provision that all dental
22 services paid for by a dental service corporation shall be in
23 accordance with the accepted dental practices in the community at
24 the time, but the corporation shall not be liable for injuries resulting
25 from negligence, misfeasance, malfeasance, nonfeasance or
26 malpractice on the part of any officer or employee or on the part of
27 any dentist or others engaged by him in the course of rendering
28 dental services to persons covered.

29 Any dental service corporation may classify persons covered
30 whereby under specified circumstances a covered person may pay a
31 participating dentist for dental services an amount in addition to
32 that payable by the corporation for dental services and the group
33 contract shall contain the provisions thereof and specify such
34 circumstances.

35 (cf: P.L.1968, c.305, s.18)

36

37 8. Section 21 of P.L.1968, c.305 (C.17:48C-21) is amended to
38 read as follows:

39 21. No dental service corporation shall issue group contracts
40 which are not experience rated pursuant to ~~sections 19 or~~ section
41 20 of this act, until it shall have filed with the commissioner a full
42 schedule of the rates which are to apply to such contracts. The
43 commissioner may disapprove such schedule at any time if he finds
44 that such ~~if the commissioner has determined that those~~ rates are
45 excessive, inadequate or unfairly discriminatory. A dental service
46 corporation shall furnish any schedule of rates to the commissioner
47 upon request. It shall be unlawful for any corporation to effect any

1 such group contract according to **【such】** rates **【thereafter】** which
2 have been disapproved by the commissioner.

3 (cf: P.L.1968, c.305, s.21)

4

5 9. This act shall take effect immediately, and apply to dental
6 service corporation contracts entered into or renewed after the date
7 of enactment.

8

9

10 STATEMENT

11

12 This bill revises certain provisions of the “Dental Service
13 Corporation Act of 1968” to update certain sections of the law,
14 make certain changes to group dental service contracts, and
15 eliminate certain filing requirements.

16 The bill expands the definition of “covered dependent” to
17 include civil union and domestic partners, consistent with current
18 law relating to those legal relationships. The bill clarifies that
19 dental service corporations are not obligated to accept as
20 participating dentists any dentists who are suspended, debarred, or
21 otherwise ineligible to participate or provide services to or receive
22 payment from any governmental healthcare program or to accept as
23 participating dentists any dentists whose participation would violate
24 standards in accordance with State or federal law or regulation.
25 Under this provision, dental service corporations would not be
26 obligated to accept dentists who have been debarred from
27 participation in programs funded by Medicaid as participating
28 dentists.

29 The bill revises the current requirement that the board of trustees
30 of a dental service corporation have 14 or more members, to require
31 that the board of trustees have 10 or more members.

32 The bill also provides that group coverage can be written in
33 situations in which to allow the premium to be paid by the
34 subscriber rather than the group policyholder.

35 The bill requires dental service corporations to retain records
36 relating to claim payments for a period of seven years. The bill also
37 removes the requirement that the plan of payments to dentists be
38 filed with the Commissioner of Banking and Insurance, and requires
39 that the plan of payments be provided to the commissioner upon
40 request.

41 The bill expands the groups for which dental service
42 corporations may provide coverage from groups of at least 10
43 employees to include group contracts covering at least one
44 employee or member, other than a sole proprietor, a partner in a
45 partnership, or a shareholder that owns more than two percent of the
46 shares of a Subchapter S corporation, as well as immediate family
47 members of those individuals.

A4089 COUGHLIN, CIATTARELLI

9

- 1 The bill also removes the requirement that group rates be filed
- 2 with the commissioner, and instead, provides that the rates must be
- 3 provided to the commissioner upon request.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

with committee amendments

ASSEMBLY, No. 4089

STATE OF NEW JERSEY

DATED: FEBRUARY 5, 2015

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 4089.

As amended, this bill revises certain provisions of the “Dental Service Corporation Act of 1968” to update certain sections of the law, make certain changes to group dental service contracts, and eliminate certain filing requirements.

The bill expands the definition of “covered dependent” to include civil union and domestic partners, consistent with current law relating to those legal relationships. The bill clarifies that dental service corporations are not obligated to accept as participating dentists any dentists who are suspended, debarred, or otherwise ineligible to participate or provide services to or receive payment from any governmental healthcare program or to accept as participating dentists any dentists whose participation would violate standards established in accordance with State or federal law or regulation. Under this provision, dental service corporations would not be obligated to accept dentists who have been debarred from participation in programs funded by Medicaid as participating dentists.

The bill revises the current requirement that the board of trustees of a dental service corporation have 14 or more members, to require that the board of trustees have 10 or more members.

The bill also provides that group coverage can be written to allow the premium to be paid by the subscriber rather than the group policyholder.

The bill requires dental service corporations to retain records relating to claim payments for a period of seven years. The bill also removes the requirement that the plan of payments to dentists be filed with the Commissioner of Banking and Insurance, and requires that the plan of payments be provided to the commissioner upon request.

The bill expands the groups for which dental service corporations may provide coverage from groups of at least 10 employees to include group contracts covering at least one employee, other than a proprietor, a partner in a partnership, or a shareholder that owns more

than two percent of the shares of a Subchapter S corporation, as well as immediate family members of those individuals.

The bill also removes the requirement that group rates be filed with the commissioner, and instead, provides that the rates must be provided to the commissioner upon request.

COMMITTEE AMENDMENTS

The committee amended the provision of the bill allowing a group dental service corporation contract to cover one employee to specify that the employee may not be a proprietor, a partner in a partnership or a shareholder that owns more than two percent of the shares of a Subchapter S corporation, or an immediate family member of those individuals.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 4089

with Assembly Floor Amendments
(Proposed by Assemblyman COUGHLIN)

ADOPTED: FEBRUARY 23, 2015

These Assembly amendments clarify that, in addition to a group dental service corporation contract covering one employee, as already permitted by the bill, which one employee may not be a proprietor, a partner in a partnership or a shareholder that owns more than two percent of the shares of a Subchapter S corporation, or an immediate family member of those individuals, as already specified, a group dental service corporation contract may also cover at least 10 members of any other eligible group.

SENATE COMMERCE COMMITTEE

STATEMENT TO

[Second Reprint]
ASSEMBLY, No. 4089

STATE OF NEW JERSEY

DATED: MAY 4, 2015

The Senate Commerce Committee reports favorably Assembly Bill No. 4089 (2R).

This bill revises certain provisions of the “Dental Service Corporation Act of 1968” to update certain sections of the law, make certain changes to group dental service contracts, and eliminate certain filing requirements.

The bill expands the definition of “covered dependent” to include civil union and domestic partners, consistent with current law relating to those legal relationships. The bill clarifies that dental service corporations are not obligated to accept as participating dentists any dentists who are suspended, debarred, or otherwise ineligible to participate or provide services to or receive payment from any governmental healthcare program or to accept as participating dentists any dentists whose participation would violate standards established in accordance with State or federal law or regulation. Under this provision, dental service corporations would not be obligated to accept dentists who have been debarred from participation in programs funded by Medicaid as participating dentists.

The bill revises the current requirement that the board of trustees of a dental service corporation have 14 or more members, to require that the board of trustees have 10 or more members.

The bill also provides that group coverage can be written to allow the premium to be paid by the subscriber rather than the group policyholder.

The bill requires dental service corporations to retain records relating to claim payments for a period of seven years. The bill also removes the requirement that the plan of payments to dentists be filed with the Commissioner of Banking and Insurance, and requires that the plan of payments be provided to the commissioner upon request.

The bill expands the groups for which dental service corporations may provide coverage from groups of at least 10 employees to include group contracts covering at least one employee, other than a proprietor, a partner in a partnership, or a shareholder that owns more than two percent of the shares of a Subchapter S corporation, or at

least 10 members of any other eligible group, as well as immediate family members of those individuals.

The bill also removes the requirement that group rates be filed with the commissioner, and instead, provides that the rates must be provided to the commissioner upon request.

SENATE, No. 2693

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED JANUARY 13, 2015

Sponsored by:

Senator JAMES BEACH

District 6 (Burlington and Camden)

Senator ROBERT W. SINGER

District 30 (Monmouth and Ocean)

SYNOPSIS

Revises certain provisions of dental service corporation law.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/8/2015)

1 AN ACT concerning dental service corporations and amending
2 P.L.1968, c.305.

3

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

6

7 1. Section 2 of P.L.1968, c.305 (C.17:48C-2) is amended to
8 read as follows:

9 2. As used in this act the following words and phrases shall
10 have the stated meanings unless a different meaning clearly appears
11 from the context:

12 (a) The term "dental service corporation" or "the corporation"
13 shall mean a corporation which is (1) organized, without capital
14 stock, and not for profit, for the purpose of establishing,
15 maintaining and operating a nonprofit dental service plan, whereby
16 the expense of dental services to subscribers and other covered
17 dependents is paid in whole or in part by the corporation to
18 participating dentists and to others as provided herein in return for
19 premiums or other valuable considerations, and which (2) holds a
20 certificate of authority issued under this act;

21 (b) The term "subscriber" shall mean a person to whom a
22 subscription certificate is issued by the corporation and which sets
23 forth the kinds and extent of the dental services for which the
24 corporation is liable to make and which constitutes the contract
25 between the subscriber and the corporation;

26 (c) The term "covered dependent" shall mean the spouse, civil
27 union partner, or domestic partner, former spouse, former civil
28 union partner, or former domestic partner for **[whose support]**
29 whom the subscriber is legally liable to provide dental coverage, an
30 adult dependent or a child of the subscriber who is named in the
31 subscription certificate issued to the subscriber and with respect to
32 whom appropriate premium is specified in the certificate;

33 (d) The term "participating dentist" shall mean any dentist
34 authorized to practice dentistry under the laws of this State and who
35 agrees in writing with the corporation to provide the dental services
36 specified in the subscription certificates issued by the corporation
37 and at such rates of compensation as shall be determined by its
38 board of trustees and who agrees to abide by the by-laws, rules and
39 regulations of the corporation applicable to participating dentists,
40 which rules and regulations may exclude a dentist: (1) who is
41 suspended, debarred, or otherwise ineligible to participate in or
42 provide services to persons covered by or receive payment from a
43 government health care program, or (2) whose participation violates
44 one or more standards established in accordance with State or
45 federal laws or regulations;

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) The term "dental service" shall mean any and all general and
2 special dental services ordinarily provided by such licensed dentists
3 in accordance with accepted practices in the community at the time
4 the service is rendered.

5 (f) The term "commissioner" shall mean the Commissioner of
6 Banking and Insurance.
7 (cf: P.L.1980, c.113, s.5)

8
9 2. Section 5 of P.L.1968, c.305 (C.17:48C-5) is amended to
10 read as follows:

11 5. In reviewing any application for authority to operate under
12 this act, the commissioner shall be guided by the following
13 standards:

14 (a) It shall be shown that the initial working funds are adequate.
15 No certificate of authority shall be issued to any applicant therefore
16 except on receipt of evidence by the commissioner that such
17 applicant is in possession of unencumbered funds of not less than
18 \$25,000.00 and that such amount is held in cash or in bank to its
19 credit. From and after the issuance of a certificate of authority to an
20 applicant, the corporation shall maintain such amount as a general
21 surplus over and above its reserves, liabilities, and special
22 contingent surplus.

23 (b) It shall be shown that the applicant has enlisted a sufficient
24 number of participating dentists, with skills in appropriate fields
25 and accessible to subscribers, to indicate ability to render the
26 intended dental service. In carrying out the intent of this section the
27 commissioner shall determine that at least 100 dentists have agreed
28 to participate.

29 (c) It shall be shown that the applicant will accept as a
30 participating dentist any dentist who is authorized to practice
31 dentistry in the jurisdiction where his services are to be rendered,
32 and **【who】** is ready, available and willing to render dental service to
33 be provided under a contract or contracts; provided, however, that
34 any dentist who is suspended, debarred, or otherwise ineligible to
35 participate in or provide services to persons covered by or receive
36 payment from a governmental health care program, and any dentist
37 whose participation would violate one or more standards established
38 in accordance with State or federal laws or regulations need not be
39 accepted as a participating dentist.

40 (cf: P.L.1968, c.305, s.5)

41
42 3. Section 6 of P.L.1968, c.305 (C.17:48C-6) is amended to
43 read as follows:

44 6. The activities and operations of a dental service corporation
45 shall be conducted by a board of trustees composed initially of an
46 even number of persons, not less than **【14】** 10 in all, as may be
47 specified in the certificate of incorporation or an amendment
48 thereto, 1/2 of whom shall be persons who are licensed to practice

1 dentistry in this State and who are holders of active registration
2 certificates in good standing. The initial members of the board shall
3 elect one additional person to serve as chairman of the board to
4 preside at all meetings of the board, and who shall be a member of
5 the board and participate in its work and functions, except that he
6 shall cast no vote on any matter coming before the board except in
7 case of a tie in the votes cast by the other members of the board.
8 The offering and operation of contracts and agreements under the
9 authority of this act shall not constitute the practice of dentistry.
10 (cf: P.L.1968, c.305, s.6)

11
12 4. Section 7 of P.L.1968, c.305 (C.17:48C-7) is amended to
13 read as follows:

14 7. Every contract made by any dental service corporation to
15 provide payment for dental service shall provide for the payment
16 for dental service for a period of 12 months or less, and no contract
17 shall be made providing for the inception of such services at a date
18 later than one year after the actual date of the making of such
19 contract. Any such contract may provide that it shall be
20 automatically renewed from year to year unless there shall have
21 been 90 days' prior written notice of termination by either the
22 subscriber or the corporation. No contract between the corporation
23 and a subscriber shall provide for payment for dental services for
24 more than one person, except that a family contract may provide
25 that payment will be made for dental services rendered to a
26 subscriber **[and]**, or covered dependents, or both.
27 (cf: P.L.1968, c.305, s.7)

28
29 5. Section 15 of P.L.1968, c.305 (C.17:48C-15) is amended to
30 read as follows:

31 15. No dental service corporation shall enter into any contract
32 with a subscriber unless and until it shall have filed with the
33 commissioner a copy of the agreement proposed to be entered into
34 by the corporation and the participating dentists. Every such
35 agreement shall provide for the payment of dental services to
36 subscribers and covered dependents to the end of the subscription
37 certificate year; that 30 days' written notice of termination of such
38 agreement may be given to the corporation at any time by any
39 participating dentist but shall not apply to any subscription
40 certificate in force at the time of such notice until the first date
41 thereafter when such subscription certificate may properly be
42 terminated by the corporation, and that the agreement of the dentist
43 to render such service to the end of any certificate year shall not be
44 affected by cessation of the transaction of business by reason of
45 appropriate resolution of the board of trustees, or directors of such
46 corporation, injunction issued by a court of competent authority,
47 legislative act or by any other exercise of judicial, administrative or
48 legislative authority; provided, that this requirement shall not apply

1 to any subscription certificate which is not maintained in force by
2 the payment of premiums required thereby. There shall be included
3 in the minutes of the board of trustees of every dental service
4 corporation a record of the approval of payments to be made to
5 participating dentists. The corporation shall maintain in its office
6 complete records of all the dental services rendered to subscribers
7 and covered dependents in such form as will indicate the kind of
8 services rendered, the amounts claimed for such services by the
9 participating dentists, and the amounts paid by the corporation
10 during the preceding seven year period. No payment to any
11 participating dentists shall be authorized by the board of trustees
12 except in accordance with a plan of payments adopted by the board
13 **[,] and** recorded in the minutes of a meeting **[,] and** filed with the
14 commissioner**].** Every dental service corporation shall furnish a
15 copy of the plan of payments to the commissioner at the
16 commissioner's request. If the commissioner at any time shall
17 notify the corporation of his disapproval of any rate of payment
18 included in the plan of payments as being excessive or inadequate
19 in itself or in relation to other rates of payment, payment shall not
20 thereafter be made at the rate. In making his determination the
21 commissioner shall give consideration to prevailing rates of
22 payment by insurers and hospital, medical and dental service
23 corporations of this and other States for similar services under
24 similar conditions, the fair relationships of the values of the
25 different kinds of services covered in the plan of payments and any
26 other relevant facts. **[At the time of filing a plan and thereafter**
27 **upon]** Upon request of the commissioner, the corporation shall
28 furnish to the commissioner such information as the commissioner
29 shall specify to facilitate review of **[the]** any plan of payments.
30 (cf: P.L.1968, c.305, s.15)

31

32 6. Section 16 of P.L.1968, c.305 (C.17:48C-16) is amended to
33 read as follows:

34 16. A dental service corporation may also issue to a policyholder
35 a group contract, covering at least **[10 employees]** one employee or
36 **[members]** member, other than a sole proprietor, a partner in a
37 partnership or a shareholder that owns more than two percent of the
38 shares of a Subchapter S corporation, as well as immediate family
39 members of those individuals at the date of issue, if it conforms to
40 the following description:

41 (a) A contract issued to an employer or to the trustees of a fund
42 established by one or more employers, or issued to a labor union, or
43 issued to an association formed for purposes other than obtaining
44 such contract, or issued to the trustees of a fund established by one
45 or more labor unions or by one or more employers and one or more
46 labor unions, covering employees and members of associations or
47 labor unions.

1 (b) A contract issued to cover any other group which the
2 commissioner determines may be covered in accordance with sound
3 underwriting principles.

4 Benefits may be provided for one or more members of the
5 families or one or more dependents of persons who may be covered
6 under a group contract referred to in (a) or (b) above.

7 The contract may provide that the term "employees" shall
8 include as employees of a single employer the employees of one or
9 more subsidiary corporations and the employees, individual
10 proprietors and partners of affiliated corporations, proprietorships
11 and partnerships if the business of the employer and such
12 corporations, proprietorships or partnerships is under common
13 control through stock ownership, contract or otherwise. The
14 contract may provide that the term "employees" shall include the
15 individual proprietor or partners of an individual proprietorship or a
16 partnership. The contract may provide that the term "employees"
17 shall include retired employees. A contract issued to trustees may
18 provide that the term "employees" shall include the trustees or their
19 employees, or both, if their duties are principally connected with
20 such trusteeship. A contract issued to the trustees of a fund
21 established by the members of an association of employers may
22 provide that the term "employees" shall include the employees of
23 the association.

24 (cf: P.L.1968, c.305, s.16)

25

26 7. Section 18 of P.L.1968, c.305 (C.17:48C-18) is amended to
27 read as follows:

28 18. Every group contract entered into by a dental service
29 corporation with any policyholder shall be in writing and a contract
30 form stating the terms and conditions thereof shall be furnished to
31 the policyholder to be kept by him. No group contract form shall be
32 used unless it contains the following provisions:

33 (a) A statement of the contract rate payable to the dental service
34 corporation **【by or on behalf of the policyholder】** for the original
35 period of coverage, the time or times at which, the manner in which,
36 the contract rate due is to be paid, and the basis, if any, on which
37 the rate may subsequently be adjusted;

38 (b) A provision that all contract rates due under the contract
39 shall be paid **【by the policyholder, or by the designated
40 representative of the policyholder,】** to the dental service
41 corporation on or before the due date thereof or within such period
42 of grace as may be specified therein;

43 (c) A statement of the nature of the dental services to be paid for
44 and the period during which such payments will be made, and if
45 there are any services to be excepted, a detailed statement of such
46 exceptions;

47 (d) A provision that the contract, any endorsements or riders
48 thereto, the application of the policyholder in whose name the

1 contract is issued, a copy of which shall be attached to the contract,
2 and the individual applications, if any, of the employees or
3 members shall constitute the entire contract between the parties and
4 that all statements contained in any such application for coverage
5 shall be deemed representations and not warranties;

6 (e) A provision that there shall be issued to the policyholder, for
7 delivery to the employee or member, a certificate or other document
8 which sets forth or summarizes the essential features of the
9 coverage including the time, place and method for making claims
10 for benefits;

11 (f) A provision that all new employees or new members, as the
12 case may be, in the groups or classes eligible for the coverage must
13 be added to the eligible groups or classes;

14 (g) A statement of the terms and conditions, if any, upon which
15 the contract may be terminated or amended. Any notice to the
16 policyholder shall be effective if sent by mail to the policyholder's
17 address as shown at the time on the corporation's records. The
18 notice to the policyholder as herein required shall be sent at least 30
19 days before the termination or amendment of the contract takes
20 effect.

21 Any such group contract may contain a provision that all dental
22 services paid for by a dental service corporation shall be in
23 accordance with the accepted dental practices in the community at
24 the time, but the corporation shall not be liable for injuries resulting
25 from negligence, misfeasance, malfeasance, nonfeasance or
26 malpractice on the part of any officer or employee or on the part of
27 any dentist or others engaged by him in the course of rendering
28 dental services to persons covered.

29 Any dental service corporation may classify persons covered
30 whereby under specified circumstances a covered person may pay a
31 participating dentist for dental services an amount in addition to
32 that payable by the corporation for dental services and the group
33 contract shall contain the provisions thereof and specify such
34 circumstances.

35 (cf: P.L.1968, c.305, s.18)

36

37 8. Section 21 of P.L.1968, c.305 (C.17:48C-21) is amended to
38 read as follows:

39 21. No dental service corporation shall issue group contracts
40 which are not experience rated pursuant to ~~sections 19 or~~ section
41 20 of this act, until it shall have filed with the commissioner a full
42 schedule of the rates which are to apply to such contracts. The
43 commissioner may disapprove such schedule at any time if he finds
44 that such ~~if the commissioner has determined that those~~ rates are
45 excessive, inadequate or unfairly discriminatory. A dental service
46 corporation shall furnish any schedule of rates to the commissioner
47 upon request. It shall be unlawful for any corporation to effect any

1 such group contract according to **【such】** rates **【thereafter】** which
2 have been disapproved by the commissioner.

3 (cf: P.L.1968, c.305, s.21)

4

5 9. This act shall take effect immediately, and apply to dental
6 service corporation contracts entered into or renewed after the date
7 of enactment.

8

9

10 STATEMENT

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12 This bill revises certain provisions of the “Dental Service
13 Corporation Act of 1968” to update certain sections of the law,
14 make certain changes to group dental service contracts, and
15 eliminate certain filing requirements.

16 The bill expands the definition of “covered dependent” to
17 include civil union and domestic partners, consistent with current
18 law relating to those legal relationships. The bill clarifies that
19 dental service corporations are not obligated to accept as
20 participating dentists any dentists who are suspended, debarred, or
21 otherwise ineligible to participate or provide services to or receive
22 payment from any governmental healthcare program or to accept as
23 participating dentists any dentists whose participation would violate
24 standards in accordance with State or federal law or regulation.
25 Under this provision, dental service corporations would not be
26 obligated to accept dentists who have been debarred from
27 participation in programs funded by Medicaid as participating
28 dentists.

29 The bill revises the current requirement that the board of trustees
30 of a dental service corporation have 14 or more members, to require
31 that the board of trustees have 10 or more members.

32 The bill also provides that group coverage can be written in
33 situations in which to allow the premium to be paid by the
34 subscriber rather than the group policyholder.

35 The bill requires dental service corporations to retain records
36 relating to claim payments for a period of seven years. The bill also
37 removes the requirement that the plan of payments to dentists be
38 filed with the Commissioner of Banking and Insurance, and requires
39 that the plan of payments be provided to the commissioner upon
40 request.

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42 corporations may provide coverage from groups of at least 10
43 employees to include group contracts covering at least one
44 employee or member, other than a sole proprietor, a partner in a
45 partnership, or a shareholder that owns more than two percent of the
46 shares of a Subchapter S corporation, as well as immediate family
47 members of those individuals.

S2693 BEACH, SINGER

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1 The bill also removes the requirement that group rates be filed
2 with the commissioner, and instead, provides that the rates must be
3 provided to the commissioner upon request.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2693

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 4, 2015

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2693.

As amended, this bill revises certain provisions of the “Dental Service Corporation Act of 1968” to update certain sections of the law, make certain changes to group dental service contracts, and eliminate certain filing requirements.

The bill expands the definition of “covered dependent” to include civil union and domestic partners, consistent with current law relating to those legal relationships. The bill clarifies that dental service corporations are not obligated to accept as participating dentists any dentists who are suspended, debarred, or otherwise ineligible to participate or provide services to or receive payment from any governmental healthcare program or to accept as participating dentists any dentists whose participation would violate standards in accordance with State or federal law or regulation. Under this provision, dental service corporations would not be obligated to accept dentists who have been debarred from participation in programs funded by Medicaid as participating dentists.

The bill revises the current requirement that the board of trustees of a dental service corporation have 14 or more members, to require that the board of trustees have 10 or more members.

The bill also provides that group coverage can be written in situations in which to allow the premium to be paid by the subscriber rather than the group policyholder.

The bill requires dental service corporations to retain records relating to claim payments for a period of seven years. The bill also removes the requirement that the plan of payments to dentists be filed with the Commissioner of Banking and Insurance, and requires that the plan of payments be provided to the commissioner upon request.

The bill expands the groups for which dental service corporations may provide coverage from groups of at least 10 employees to include group contracts covering at least one employee, other than a proprietor, a partner in a partnership, or a shareholder that owns more than two percent of the shares of a Subchapter S corporation, or at

least 10 members of any other eligible group, as well as immediate family members of those individuals.

The bill also removes the requirement that group rates be filed with the commissioner, and instead, provides that the rates must be provided to the commissioner upon request.

COMMITTEE AMENDMENTS:

The committee amendment clarifies that, in addition to a dental service corporation being able to issue a group contract covering at least one employee under certain circumstances, as already permitted by the bill, a group dental service corporation may also issue a group contract covering at least 10 members of any other eligible group.

Governor Christie Takes Action On Pending Legislation

Monday, November 9, 2015 Tags: [Bill Action](#)



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Trenton, NJ – Governor Chris Christie today took action on legislation, including a package of five bills intended to address the fiscal stability of Atlantic City.

Understanding both the immediate and long-term obstacles facing Atlantic City and its stabilization, the Governor has consistently highlighted the need for comprehensive reform efforts to confront the city's challenges – both from State and local leaders. The Governor remains committed to bringing about the necessary reforms to stabilize Atlantic City and continue an effective long-term transition to an economy that is diversified beyond its traditional gaming industry.

Continuing in that effort, Governor Christie conditionally vetoed A-3981, establishing a payment-in-lieu-of-taxes (PILOT) program for casinos operating in the City, A-3984, reallocating revenue derived from the casino investment alternative tax from the Casino Reinvestment Development Authority to the City to pay debt service on municipal bonds, and A-3985, repealing the Atlantic City Alliance.

"While I commend the Legislature for attempting to devise measures to stabilize the City's budget and finances, I am concerned that the bills, in their present form, fail to recognize the true path to economic revitalization and fiscal stability in the City," Governor Christie said. "While these bills represent the bipartisan efforts of many to provide important, near-term support to the City's immediate challenges, I do not believe they meet the goal of setting a course toward renewed, long-term prosperity and economic growth. To achieve these goals, we must continue our work and go further to ensure that the next step leads to that economically vibrant future for Atlantic City."

In addition, the Governor signed A- 3983, authorizing supplemental school aid to the Atlantic City school district, and vetoed the fifth bill, A-3982, which would add a costly and unjustified new mandate for casino business operation in the City by requiring each casino, as a condition of licensure, to provide to its full time employees "suitable" health care benefits and "suitable" retirement benefits.

"A-3982 would do nothing to enhance the financial condition of Atlantic City," Governor Christie wrote. "To be sure, this bill would make it more costly for casinos to operate in Atlantic City, thereby impeding the industry's ability to grow and expand."

Governor Christie also vetoed legislation designed to revise certain laws concerning domestic violence and firearms. The Christie Administration has made protecting our most vulnerable residents one of its main priorities and has enacted some of the toughest measures to combat domestic violence. Governor Christie has supported a comprehensive approach to addressing the level of violence within our society and recently signed legislation to further penalize aggravated assault perpetuated against domestic violence victims. This legislation, A-4218 (Mosquera, Greenwald, Lagana, Benson, Lampitt, Vainieri Huttie, Danielsen/Weinberg, Gill, Cruz-Perez), substantially restates New Jersey's existing laws that govern firearms and domestic violence and does not offer new and sensible improvements to those current laws. For that reason, rather than restate existing laws, the Governor is proposing significant amendments that will meaningfully deter future acts of violence.

- **Enhanced Penalties For Domestic Violence.** Governor Christie is proposing enhanced criminal penalties imposed against those who are convicted of domestic violence. To demonstrate society's unconditional condemnation of this conduct, perpetrators would receive the maximum available prison sentence under New Jersey law.

- **Tighter Restrictions On Parole Eligibility For Perpetrators Of Domestic Violence.** The Governor's recommended changes will strengthen penalties for perpetrators of domestic abuse by lengthening periods of parole

ineligibility.

- **Prioritizing Victims Who Seek Firearms For Protection.** The Governor is also recommending an immediate codification in statute of new rules currently being processed, giving expedited processing of firearm license applications for victims of domestic violence so that the victims may better defend themselves against future instances of abuse.

"I urge the Legislature to join with me in a bipartisan manner to broaden this bill's approach to reducing domestic violence while simultaneously empowering victims to protect themselves through lawful means," Governor Christie said. "Together, we can enact a more comprehensive approach and reduce the harm that domestic violence inflicts on victims, families, and our society."

The Governor also took the following action on other pending legislation:

BILL SIGNINGS:

S-2174/A-3364 (Barnes, Holzapfel/Quijano, Mainor, Pinkin) - Prohibits manufacture, sale, or installation of counterfeit or nonfunctional air bags in motor vehicles

A-815/S-852 (Coughlin, Ciattarelli, Diegnan, Pinkin, Giblin/Vitale) - Requires municipalities which license peddlers and solicitors to accept certain background check results from other municipalities

A-1029/S-274 (Benson, Vainieri Huttie, Jasey, Tucker, Wimberly/Greenstein, Ruiz) - Requires training program for school bus drivers and school bus aides on interacting with students with special needs, and requires development and use of student information cards

A-1041/S-2676 (Schaer, Johnson, Vainieri Huttie, Eustace, Mazzeo/Rumana, Gordon, Weinberg) - Exempts Holocaust reparations payments from legal process, and from estate recovery under Medicaid program

A-1102/S-1145 (Vainieri Huttie, Sumter, Spencer, Schaer, Wimberly/Weinberg, Cruz-Perez) - Provides for licensure of dementia care homes by DOH

ACS for A-1662/S-2856 (Johnson, Lagana, Wimberly/Weinberg) - Authorizes the court to order the deletion, sealing, labeling, or correction of certain personal information in government records involving certain victims of identity theft

AS for A-1678/SS for S-1365 (Johnson, Mainor, O'Scanlon, Wilson, Wimberly/Weinberg) - Authorizes court to order submission of DNA evidence to national database to determine whether evidence matches known individual or DNA profile from an unsolved crime

AS for ACS for A-2073/SCS for S-712 (Handlin, Space, Garcia, Pintor Marin/Cruz-Perez, Kyrillos, Lesniak) - Exempts certain offers and sales of securities from registration

A-2385/S-944 (McKeon, Diegnan, Jasey, Andrzejczak/Smith, Codey) - Authorizes rural electric cooperative and certain municipalities to establish municipal shared services authority

ACS for A-2477/SCS for S-1705 (Lampitt, Conaway, Benson, Sumter, Munoz, Pinkin/Vitale, Singer) - Establishes requirements for pharmacists to dispense biological products

A-2714/S-1993 (Giblin, Sumter/Barnes) - Requires continuing education for licensed practicing psychologists

A-2936/S-1957 (Mosquera, Lampitt, Singleton, Wimberly/Singer, Connors) - Requires complaint for guardianship of person receiving services from Division of Developmental Disabilities to include one of documents identified in bill

A-3012/S-2296 (Ciattarelli, Dancer/Bateman) - Criminalizes bestiality

A-3079/S-2766 (Jasey, Diegnan, Mainor, Wimberly, Oliver, DeCroce/Turner, Ruiz) - Prohibits administration of standardized assessments in kindergarten through second grade

A-3153/S-2415 (DeAngelo, Mosquera/Madden, Beach) - Requires UI employer contribution reports and remittances be submitted to the Division of Revenue

A-3248/S-2459 (Conaway, Sumter, Pintor Marin/Singer) - Establishes the Task Force on Chronic Obstructive Pulmonary Disease in DOH

A-3580/S-2846 (Moriarty, Dancer, Coughlin, Mainor, Pinkin, Munoz, Daniels, Wimberly/Madden, Turner) - Prohibits sale of powdered alcohol

A-3636/SCS for S-2393, 2408, 2411 (McKeon, Lagana, Spencer/Scutari, O'Toole, Holzapfel) - Establishes crime-fraud exception to marital and civil union partnership privilege

A-3669/S-2655 (Mazzeo, Burzichelli/Whelan) - Prohibits eligibility for certain sign programs from being conditioned on availability of free drinking water or public telephone

A-3807/S-2619 (Eustace, Greenwald/Whelan) - Permits educational research and services corporations to act as lead procurement agencies for local units and publically supported educational institutions; permits Council of County Colleges to act as lead procurement agency for county colleges

A-3841/S-2540 (Munoz, Gusciora, Angelini, DeCroce/O'Toole, Weinberg) – Upgrades violation of a stalking restraining order to a crime of the third degree

A-3843/S-2735 (Caputo, Giblin, Tucker, Johnson, Mainor, Sumter/Rice) - Permits municipality to enact ordinance allowing voluntary registration of private outdoor video surveillance cameras

A-3983/S-2574 (Mazzeo, Burzichelli, Giblin/Sweeney, Whelan) - Authorizes supplemental State aid to school districts in municipality with significant decrease in commercial property valuation; makes appropriation

A-4008/SCS for S-2334 (Singleton, Mukherji, Pintor Marin, Wimberly, Sumter/Cunningham, Ruiz) - Requires DOC to make reports containing information concerning treatment and reentry initiative participation; requires AOC to establish program that collects recidivism data and make reports concerning adults sentenced to period of probation

A-4013/S-2497 (Greenwald, Lagana, Coughlin/Oroho) - Eliminates mortgage guaranty insurance coverage cap of 25% of outstanding balance of insured loan

A-4073/S-2687 (Schaer, Prieto, Caride, Lagana, Giblin, Wimberly, Rumana/Sarlo, Gill) - Requires installation of carbon monoxide detectors in certain structures; designated as "Korman and Park's Law"

A-4078/S-2686 (Vainieri Huttie, Mosquera, McKeon, Munoz, Benson, Sumter/Pou, Beck) - "Sexual Assault Survivor Protection Act of 2015"; authorizes the court to issue protective orders for victims of certain nonconsensual sexual conduct

A-4089/S-2693 (Coughlin, Ciattarelli/Beach, Singer) - Revises certain provisions of dental service corporation law

A-4143/S-2514 (Lagana, Spencer, Mukherji, Johnson, Rumana, Rodriguez-Gregg, Gusciora, Mazzeo/Barnes, Addiego) - Permits holders of certain alcoholic beverage licenses to be issued amusement game license and updates definition of recognized amusement park

A-4144/S-2755 (Pintor Marin, Spencer, Caride, Quijano, Mukherji/Ruiz, Stack) – Requires insurance producer licensing examination and registration materials to be offered in English and Spanish, and examination instructional materials to be available in Spanish

A-4167/S-2751 (Lagana, Mazzeo, Eustace, Andrzejczak, Vainieri Huttie/Barnes) - Requires DHS to notify enrollees in Programs of All-Inclusive Care for the Elderly of Medicare eligibility

A-4168/S-2750 (Lagana, Mazzeo, Eustace, Andrzejczak, Vainieri Huttie/Barnes) - Requires providers to submit to DHS expenditure details of enrollees in Program of All-Inclusive Care for the Elderly

A-4169/S-2752 (Lagana, Mazzeo, Eustace, Andrzejczak, Vainieri Huttie/Barnes) - Requires DHS to monitor utilization and billing of services for Medicaid home and community-based long-term care

A-4333/S-3020 (Singleton, Gill) - Exempts certain activities of alarm businesses from statutes governing practice of locksmithing

A-4361/S-2891 (Johnson, A.M. Bucco, Garcia, S. Kean/Barnes, A.R. Bucco) - Revises definition of all-terrain vehicles

A-4375/S-3011 (Moriarty, Andrzejczak, Mazzeo, Mosquera, Quijano, Ciattarelli, Wimberly/Van Drew, Bateman) - Upgrades crimes of false public alarm under certain circumstances and establishes reporting requirements concerning crime

A-4485/S-2881 (Diegnan, Jasey, Wimberly, McKeon, Lagana/Gill, Turner) - Prohibits withholding of State school aid based on student participation rate on State assessments

A-4587/S-3049 (Greenwald, Lampitt, McKeon, Holley/Scutari, Cruz-Perez) – Requires facilities providing services to persons with developmental disabilities and schools to adopt policies permitting administration of medical marijuana to qualifying patients

AJR-64/SJR-82 (Schaer, Eustace, Lagana, Spencer, Caride, Mukherji/Pou, Ruiz) - Declares August 16 of each year as "Dominican Restoration Day" in New Jersey

BILLS VETOED:

S-929/A-1908 (Sweeney, Madden/Burzichelli, Riley, Moriarty) – **ABSOLUTE** -Concerns certain workers' compensation supplemental benefits

A-801/S-861 (Coughlin, Wisniewski, Mazzeo/Vitale, Sacco) - **CONDITIONAL** - Directs New Jersey Turnpike Authority and South Jersey Transportation Authority to study and report on potential revenue generating services of rest areas and service plazas

A-947/S-2216 (Singleton, Lagana, Diegnan/Pennacchio, Rice) – **CONDITIONAL** - Requires release of bid list prior to bid date under "Local Public Contracts Law"

A-1468/S-2513 (Diegnan, Lampitt, Caride/Barnes, Ruiz) – **CONDITIONAL** -Establishes Task Force on Engineering Curriculum and Instruction

A-1726/S-308 (Eustace, Lagana, Mosquera, Vainieri Huttie, Wimberly/Gordon) – **CONDITIONAL** - Amends "Flood Hazard Area Control Act" to require DEP to take certain actions concerning delineations of flood hazard areas and

floodplains

A-2579/S-1510 (Mukherji, Pintor Marin, Eustace/Smith, Bateman) – CONDITIONAL - Authorizes municipalities to facilitate private financing of water conservation, storm shelter construction, and flood and hurricane resistance projects through use of voluntary special assessments

A-2771/S-452 (Johnson, Burzichelli, Pintor Marin, Mosquera/Ruiz, Cruz-Perez) – CONDITIONAL - "The New Jersey Social Innovation Act"; establishes social innovation loan pilot program and study commission within EDA

A-2906/S-2926 (Stender, Pinkin, Mazzeo/Whelan, Scutari) – ABSOLUTE - Excludes from gross income compensation paid to members of district boards of election for services rendered in elections

A-3223/S-2056 (Singleton, Lampitt, Quijano, Pintor Marin, Wimberly/Sarlo, Ruiz) – CONDITIONAL - Requires Division of Local Government Services to include certain property tax information on division's web page

A-3393/S-2167 (Spencer, Pintor Marin, Caputo, Tucker/Rice, Ruiz) – CONDITIONAL - Permits Newark to use rental car tax proceeds over three-year period to help reduce its "cash deficit for preceding year" appropriation and operational deficit

A-3421/S-2220 (Dancer, Mukherji/Singer) – CONDITIONAL - Revises the "Self-Funded Multiple Employer Welfare Arrangement Regulation Act"

A-3435/S-2503 (Garcia, Mukherji, Vainieri Huttie, Mainor, Eustace, Mosquera/Stack, Gordon) - CONDITIONAL - "Boys & Girls Clubs Keystone Law"; permits minors to give consent for behavioral health care

A-3500/S-1973 (Andrzejczak, Pinkin, Quijano/Van Drew, Beach) – ABSOLUTE - Requires local recreation departments and youth serving organizations to have defibrillators for youth athletic events

A-3954/S-2981 (Conaway, Singleton, Spencer, McKeon/Greenstein) – CONDITIONAL - Requires maximum contaminant level to be established for 1,2,3-trichloropropane in drinking water

A-3981/S-2572 (Mazzeo, Burzichelli, Andrzejczak/Sweeney, Whelan) - CONDITIONAL - "Casino Property Taxation Stabilization Act"

A-3982/S-2573 (Mazzeo, Burzichelli, Andrzejczak/Sweeney, Whelan) – ABSOLUTE - Requires holder of casino license to provide certain employees with certain health care and retirement benefits

A-3984/S-2575 (Mazzeo, Burzichelli, Giblin/Sweeney, Whelan) – CONDITIONAL - Reallocates casino investment alternative tax to Atlantic City to pay debt service on municipal bonds issued

A-3985/S-2576 (Mazzeo, Burzichelli, Andrzejczak, Giblin/Sweeney, Whelan) – CONDITIONAL - Removes provisions of law relating to Atlantic City Alliance

A-4018/S-2843 (Burzichelli, Caputo, Mazzeo/Sarlo, Whelan) – ABSOLUTE - Authorizes operation of lottery courier services

A-4218/S-2786 (Mosquera, Greenwald, Lagana, Benson, Lampitt, Vainieri Huttie, Danielsen/Weinberg, Gill, Cruz-Perez) - CONDITIONAL - Revises certain laws concerning domestic violence and firearms

A-4265/S-2783 (McKeon, Pintor Marin, Jasey, Caputo, Giblin, Tucker, Spencer, Oliver, Gusciora, Danielson/Codey, Ruiz, Rice) – ABSOLUTE - Permits municipal, county, and regional police and fire forces to establish five-year residency requirement for police officers and firefighters; allows exceptions to requirement under certain circumstances

A-4337/S-3008 (Schaer, Danielsen, Dancer, Sumter/Barnes) – ABSOLUTE - Expands eligibility of inmates for medical parole and requires inmate's enrollment in Medicaid under certain circumstances

A-4476/S-2876 (Conaway/Codey) - CONDITIONAL - Requires certain surgical practices and ambulatory care facilities licensed in this State to be owned by hospital or medical school located in the State

A-4607/S-3106 (Pintor Marin, Schaer, Oliver, Lagana, Johnson, Singleton/Ruiz, Cunningham) – ABSOLUTE - Makes FY 2016 supplemental appropriations of \$6,500,000 and adds language provision

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