

CHAPTER 83

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

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

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

C.17:48C-8.3 Payment of out-of-network benefits by dental service corporation.

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

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

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

- (1) be in writing;
- (2) be signed by the person who is entitled to receive the dental benefit payment from the dental service corporation;
- (3) be retained by the dentist for at least six years following the date of the most recent payment from the covered person; and
- (4) give the covered person at least 10 business days within which to sign over the dental benefit to the dentist.

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

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

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

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

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

C.17:48D-9.6 Payment of out-of-network benefits by dental plan organization.

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

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

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

(1) be in writing;

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

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

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

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

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

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

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

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

C.17:48E-10.2 Payment of out-of-network dental benefits by health service corporation.

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

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

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

(1) be in writing;

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

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

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

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

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

e. (1) With respect to a health service corporation that makes a dental benefit payment to a covered person for services rendered by an out-of-network dentist, if the covered person assigns, through an assignment of benefits, his right to receive reimbursement to an out-of-network dentist, the health service corporation shall issue the payment for the reimbursement directly to the dentist in the form of a check payable 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. Payment shall be made in accordance with section 4 of P.L.1999, c.154 (C.17:48E-10.1). Any payment made only to the covered person rather than the dentist while such an assignment of benefits is in effect shall be considered unpaid, and unless issued to the dentist within the time frames established by section 4 of P.L.1999, c.154 (C.17:48E-10.1), shall be considered overdue and subject to interest charges as provided in that section.

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

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

Approved July 17, 2013.