

Department of Legislative Services  
Maryland General Assembly  
2011 Session

FISCAL AND POLICY NOTE  
Revised

Senate Bill 705

(Senator Klausmeier, *et al.*)

Finance

Health and Government Operations

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**Health Insurance - Dental Provider Contracts - Prohibited Provision**

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This bill prohibits a carrier, in a dental provider contract, from requiring a dental provider to provide services that are not “covered services” at a fee set by the carrier.

The bill applies to all dental provider contracts issued, renewed, or amended in the State on or after October 1, 2011.

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**Fiscal Summary**

**State Effect:** Minimal increase in special fund revenues for the Maryland Insurance Administration in FY 2012 from the \$125 rate and form filing fee. Review and approval of form filings can be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** “Covered services” means health care services that are reimbursable under a policy or contract for dental services between an enrollee and a carrier, subject to any contractual limitations on benefits, including deductibles, copayments, or frequency limitations.

**Current Law/Background:** Chapter 702 of 2010 prohibits a provider contract from including a provision that requires a participating dental provider, as a condition of continued participation in either a capitated dental provider panel or fee-for-service

provider panel, to accept an added, revised, or amended fee schedule that contains a lower fee.

State law does not specifically prohibit carriers from setting rates for dental services that are *not* covered services. Apparently, some carriers are setting rates in provider contracts for services that require enrollees to pay up to 100% of the costs. The bill would prohibit carriers from setting the fees for services paid for by enrollees.

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### **Additional Information**

**Prior Introductions:** SB 665 of 2010 was heard by the Senate Finance Committee, but no further action was taken. Its cross file, HB 1026, was heard by the House Health and Government Operations Committee but was later withdrawn.

**Cross File:** Although not designated as a cross file, HB 468 is essentially identical.

**Information Source(s):** Department of Budget and Management, Maryland Health Insurance Plan, Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2011  
ncs/mwc Revised - Senate Third Reader - March 23, 2011

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