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March 3, 2026

To: The Honorable Heather Bagnall, Chair
Health Committee

From: Irnise F. Williams, Deputy Director, Health Education and Advocacy Unit

Re: House Bill 1091 - Health Insurance and Dental Plan Organizations - Dentists - Assignment of Benefits and Reimbursement of Nonpreferred Providers – **SUPPORT IN CONCEPT**

The Office of the Attorney General's Health Education and Advocacy Unit (HEAU) supports the aim of HB1091. HB1091 prohibits certain health insurers and dental plan organizations ("carriers") from blocking assignment of benefits to dentists—allowing insured individuals to direct payment to the provider, even if they are out-of-network. Current law requires direct payment to out-of-network physicians[1] under an assignment of benefits (AOB), but requires the physician to inform the patient of their non-preferred status, that they may charge for noncovered services, that they may balance bill the patient, provide an estimate of potential charges, outline payment terms and applicable interest rates, and submit the disclosure form to the carrier with the claim. If benefits are assigned, carriers must pay the provider directly. When benefits are not assigned, carrier payments to the insured must instruct the patient to remit payment to the physician in the event payment has not been made by the patient.

This bill mirrors the physician assignment of benefit provisions for dentists. This bill provides meaningful consumer benefits, including:

- Improved access to dental care, particularly for individuals who prefer or must see out-of-network dentists.

- Reduced financial and administrative burden, as consumers can direct insurers to pay providers directly, avoiding delays and reimbursement complications.

[1] On-call and hospital-based physicians, and HMOs are governed by separate provisions that prohibit balance billing.

- Greater transparency, because the bill requires clear disclosures about potential out-of-pocket costs before treatment.

These provisions are particularly important for patients facing urgent dental needs, those with limited provider options, and those who may not understand complex billing practices.

While we support the bill as parallel of existing protections that already apply to physicians, our office has advocated in the past and continues to believe that when out-of-network providers accept an AOB, they are effectively agreeing to allow the insurer to pay them directly and should accept the insurer's allowed amount as full compensation and *not* balance bill the patient. Consumers who sign an AOB reasonably expect that the insurer's allowed amount, combined with their standard cost-sharing obligations, will fully resolve their liability. For that reason, balance billing should not be permitted in this context.

If, however, the General Assembly chooses to allow balance billing when an AOB is accepted, then meaningful disclosure requirements become essential. We reiterate that position here. The notice must be provided at a time that enables patients to make fully informed decisions about both their care and their financial obligations—not merely "before performing a health care service," which is the current regulatory standard.

To ensure disclosures are truly meaningful, we recommend adding language requiring that:

- For services scheduled the same day, the disclosure must be provided before services are provided.
- For services scheduled at least three days in advance, the disclosure must be provided no later than one business day after scheduling; and
- For services scheduled at least ten business days in advance, the disclosure must be provided no later than three business days after scheduling.

These timing requirements better align with the transparency goals and ensure that patients are not placed in the untenable position of learning about the providers' network status and potential balance billing only when it is too late to choose differently.

We also wanted to bring to your attention a drafting error on Page 4, line 27. The reference should be to the enrollee's responsibility, not the plan's responsibility. There is also an error on page 2, lines 21-22. It appears that the two new references to "OR DENTIST" should be struck, and replaced with a reference to "OR DENTIST" after the word "physician" on line 21.

Thank you for taking this information into consideration as you consider HB1091.

cc: Senator Antonio Hayes