

March 27, 2014

The Honorable Rob Olson, Chairperson  
Senate Committee on Financial Institutions and Insurance  
Statehouse, Room 236-E  
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 386 by Senator Bowers

In accordance with KSA 75-3715a, the following fiscal note concerning SB 386 is respectfully submitted to your committee.

SB 386 would mandate health insurance plans that provide dental services include the following requirements:

1. Allow an insured to contract directly with any dentist to receive dental care services without penalty;
2. Provide information regarding the insured's or beneficiary's dental benefit coverage with any dentist or dental office designated by the insured;
3. Provide that the insured or beneficiary of the plan or policy may assign the right to the payment or reimbursement of benefits to the dentist who provides the service;
4. Make available benefit maximum payment schedules; and
5. Accept claims formatted or transmitted in any manner authorized.

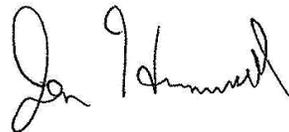
The benefit amount paid for receiving covered dental services must be the same whether or not the insured's dentist is a participating provider and belongs to the health insurer's network. The payment required must not adversely affect the insured's deductible or copayment under the health insurance plan. Payment of the insured's benefit to the designated assignee would satisfy the plan administrator's benefit payment obligation.

Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$125,000
FTE Pos.	--	--	--	--

According to the Kansas Department of Health and Environment, SB 386 would allow insureds to contract directly with dental providers without penalty and would deem all providers as “in network” for the purpose of reimbursements from the insurance companies. It is estimated that the additional cost to the State Employee Dental Plan would total no more than \$125,000 in FY 2015.

The Kansas Insurance Department indicates that the bill could have an effect on the amounts dental insurance consumers pay for services. Currently, after a dental insurance company pays a benefit for dental service, some insureds may be required to pay the remaining amount of the cost. SB 386 would eliminate this “balance billing” of dental services. The amount paid by the dental insurance company to the participating provider would constitute the entire payment. The bill would have no fiscal effect on Kansas Dental Board responsibilities. Any fiscal effect associated with SB 386 is not reflected in *The FY 2015 Governor’s Budget Report*.

Sincerely,



Jon Hummell,  
Interim Director of the Budget

cc: Lane Hemsley, Dental Board  
Aaron Dunkel, KDHE  
Zac Anshutz, Insurance Department