
DIGEST

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HB 387 Reengrossed

2021 Regular Session

Green

Abstract: Creates the Network Leasing Act to provide for contractual regulations between dental carriers, dentists, and third parties.

Proposed law defines "contracting entity", "dental benefit plan", "dental carrier", "dental services", "dentist", "health insurance plan", "health insurer", "provider", "provider network contract", and "third party".

Proposed law authorizes a contracting entity to grant a third party access to a provider network contract or a provider's dental services or contractual discounts if certain contractual requirements are met. Further requires the contract to specifically state that the contracting entity may contractually allow a third party to obtain the contracting entity's rights and responsibilities as if the contracting entity and the third party are one.

Proposed law requires that if the contracting entity is a dental carrier, the carrier shall have chosen to participate in third-party access at the time the provider network contract was entered into or renewed and, for contracts with dental carriers, a dentist may opt not to participate in third-party access.

Proposed law requires that if the contracting entity is an insurer, the third-party access provision of any provider network contract shall also specifically state that the contract grants third-party access to the provider network.

Proposed law requires the third party accessing the contract to comply with all terms of the provider network contract. Requires the contracting entity to provide written or electronic notification to the provider of all third parties in existence as of the date of the contract. Further requires the contracting entity to identify all third parties in existence in a list on its internet website at least once every 90 days.

Proposed law requires the contracting entity to notify network providers in writing or electronic form that a new third party is leasing or purchasing the network at least 30 days prior to the relationship taking effect.

Proposed law requires the contracting entity to cause a third party to identify the source of the discount on all remittance advices or explanations of payment under which a discount is taken. This provision of proposed law does not apply to electronic transactions mandated by the HIPAA Act of 1996.

Proposed law requires the contracting entity to notify the third party of termination of a provider network contract no later than 30 days from the termination date with the contracting entity. Further provides that the third party's right to a provider's discounted rate ceases as of the termination date of the provider network contract.

Proposed law requires the contracting entity to make available a copy of the provider network contract relied on in the adjudication of a claim to a participating provider within 30 days of a request from the provider.

Proposed law requires a dental carrier to allow any provider which is part of the carrier's provider network to opt not to participate in third-party access to the contract or to enter into a contract directly with the health insurer that acquired the provider network. Prohibits a contracting entity from canceling or otherwise ending a contractual relationship on the basis that a provider opts out of a lease arrangement. Further requires a contracting entity to accept a qualified provider even if a provider rejects a network lease option. These provisions of proposed law do not apply to a contracting entity that is not a health insurer or dental carrier.

Proposed law provides that a provider is not bound by or required to perform dental treatment or services per the terms of a provider network contract that has been granted to a third party in violation of proposed law.

Proposed law does not apply if access to a provider network contract is granted to a dental carrier or an entity operating in accordance with the same brand licensee program as the contracting entity or to an entity that is an affiliate of the contracting entity, or if the provider network contract for dental services is provided to beneficiaries of state-sponsored Medicaid and LaCHIP programs.

Proposed law prohibits waiver of contractual provisions. Any contractual arrangement in conflict with proposed law or that purports to waive any requirement is of no effect.

Proposed law authorizes the commissioner of insurance to promulgate rules in accordance with the APA that are consistent with proposed law and the laws of this state, and requires enforcement of penalties for violations.

(Adds R.S. 22:1171 and 1172)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Make a technical change to the title.

The House Floor Amendments to the engrossed bill:

1. Make modifications to require a contracting entity to identify to a provider all third

parties in existence as of the date of the contract.

2. Require a contracting entity's notification to providers to be in writing or electronic form with respect to a new third party's lease or purchase of a network.