

## METHODS OF PAYMENT FOR DENTAL BENEFITS

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**Senate Bill 1106 (S-1) as passed by the Senate**

**Sponsor: Sen. Jeff Irwin**

**House Committee: Government Operations**

**Senate Committee: Finance, Insurance, and Consumer Protection**

**Complete to 12-17-24**

Analysis available at  
<http://www.legislature.mi.gov>

## SUMMARY:

Senate Bill 1106 would amend the Insurance Code to require a *health plan* or nonprofit dental corporation<sup>1</sup> that provides dental benefits to provide one or more methods of payment or reimbursement that provide the dentist with 100% of the amount payable without charging a fee. (However, this would not apply to fees charged by the dentist's financial institution.) If a dentist opts out of a method of payment described above, that decision would remain in effect until either they opt back in or a new contract is executed.

*Health plan* would mean both of the following:

- An insurer providing benefits under a health insurance policy, including a policy, certificate, or contract that provides coverage for specific diseases or accidents only, an expense-incurred vision or dental policy, or a hospital indemnity, Medicare supplement, long-term care, or one-time limited duration policy or certificate, but not payments made to an administrative services only or cost-plus arrangement.
- A multiple employer welfare arrangement regulated under Chapter 70 of the code<sup>2</sup> that provides hospital, medical, surgical, vision, dental, and sick care benefits.

The bill would apply to dental benefits policies delivered, issued for delivery, or renewed in Michigan after its effective date.

Proposed MCL 500.3406kk

## FISCAL IMPACT:

The bill would have an indeterminate fiscal impact on the state. Section 150 of the Insurance Code provides for recourse and penalties in the event of a violation of the code. Under those provisions, violators have the opportunity for an administrative hearing before the DIFS director, who may levy a civil fine of \$1,000 for each violation, or \$5,000 if the individual knew or reasonably should have known that they were violating the Insurance Code. Civil fine payments under the Insurance Code are capped at \$50,000, and any revenue collected must be deposited to the general fund. To the extent that violations of

<sup>1</sup> Organized under 1963 PA 125: <https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-Act-125-of-1963>

<sup>2</sup> <https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-218-1956-70>

the new provisions occur, additional general fund revenue may be realized and enforcement costs incurred.

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