

# Removing Financial and Administrative Burdens on Patients Through Assignment of Benefits Laws



**In states where these laws don't exist, insurers often pay the patient instead of the dentist, creating confusion and additional hurdles for patients to jump over.**

## Patient Concerns

When a patient who's seeing their out-of-network dentist wants the insurance payment for covered services to go directly to the dentist, known as "assignment of benefits," insurers can refuse to directly issue payment in many states. Not allowing assignment of benefits has two negative effects for patients:

- The patient may have to pay at the time of dental service and await reimbursement from their insurer, creating financial hardship for some.
- The dentist will have to contact the patient for payment after services have been rendered, which is often confusing to patients who expect their insurers to pay providers directly.

## Solution

Assignment of Benefits (AoB) laws require insurers to follow a patient's request to pay their dentist directly for services rendered.

The North Dakota Dental Association is advocating for Assignment of Benefits laws that will allow patients to choose to have payment sent directly to their provider. Insurance companies pay providers no more than they would if they paid the patient directly – and often save money if they aren't required to issue a paper check.

## What Are the Benefits of Assignment of Benefits Laws?

- Puts patients in control of their benefits while ensuring that the insurance benefit is used for its intended purpose.
- Alleviates financial and administrative burdens from patients by allowing payment to be sent directly to the dental office, instead of having the patient pay upfront for services and then await reimbursement from the insurance company.
- Allows, but does not require, patients the option to assign their dental benefit directly to the dentist.
- Reduces cost of care associated with collecting debts and managing losses from non-payments for dentists billing patients.
- Insurance companies pay no more than they would if they pay the patient directly – and often save money if they aren't required to issue a paper check.

## Assignment of Benefits Laws in North Dakota

### Currently in Place

Current law NDCC §26.1-36-12 applies only to medical and not dental.

### Proposed

SB 2135





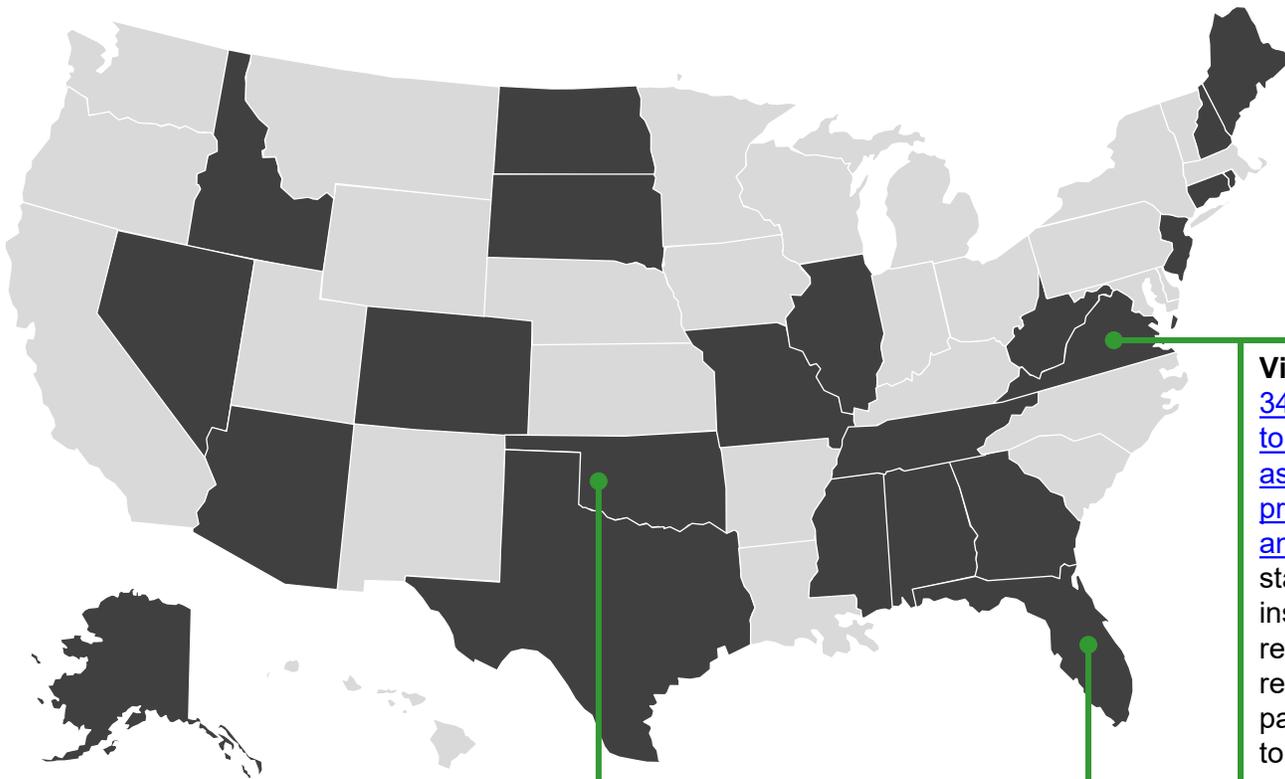
# National, Bipartisan Momentum for Assignment of Benefits Legislation

*“Already passed in several states, “assignment of benefits” laws would empower patients to choose whether they want insurance companies to directly pay dental clinics, freeing patients from having to pay upfront and negotiate with insurance companies for reimbursement.”*

- Consumer Choice Center, [Policy Note: Dental Insurance Reform](#)

▶ PASSED IN

## 23 states



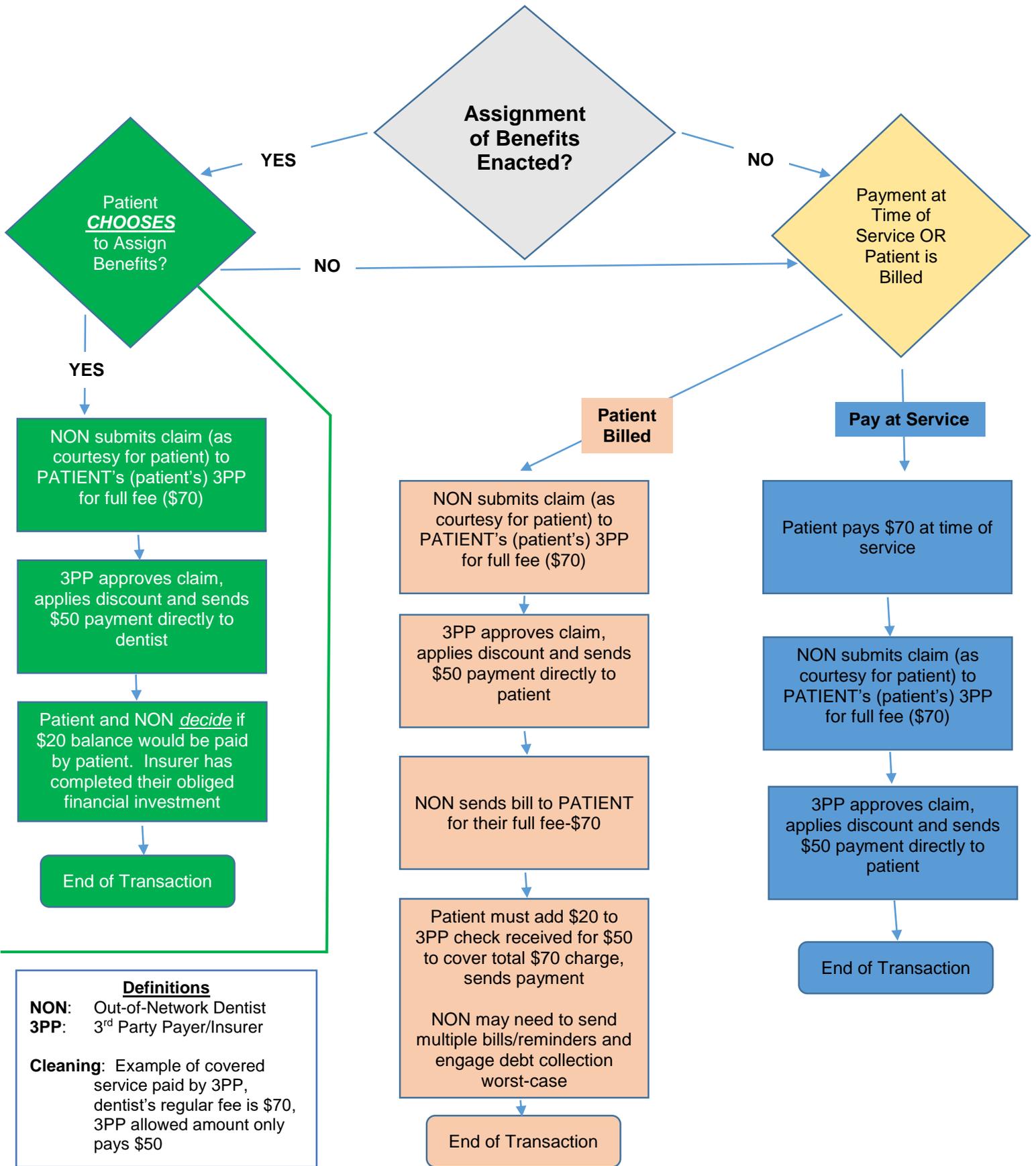
**Oklahoma's [Health Care Freedom of Choice Act](#)** requires that a practitioner be directly compensated by insurers for services and procedures, allowing patients to effectively assign their benefits.

**Florida's [627.638 Direct payment for hospital, medical services](#)** requires that insurers directly make payments to providers. Furthermore, insurance contracts may not prohibit the direct payment of providers.

**Virginia's [§ 38.2-3407.13. Refusal to accept assignments prohibited; dentists and oral surgeons](#)** states that no insurer or plan may refuse to make reimbursement payments directly to a dental provider under an assignment of benefits.

▶ To learn more about assignment of benefits legislation in ND, please contact the North Dakota Dental Association at 701-223-8870 or [info@smilenorthdakota.com](mailto:info@smilenorthdakota.com).

**Enrolled Patient Chooses Non-Participating Dentist**



**Definitions**

**NON:** Out-of-Network Dentist  
**3PP:** 3<sup>rd</sup> Party Payer/Insurer

**Cleaning:** Example of covered service paid by 3PP, dentist's regular fee is \$70, 3PP allowed amount only pays \$50

- \* Patient Chooses AoB-Pays Nothing
- \* NON is paid directly (\$50)
- \* **3PP paid \$50**
- \* Balance Billing = Dr./Patient Rel.

- \* Pnt awaits \$50 Insurance check
- \* Pnt must add \$20 OOP; pays Dr.
- \* NON is paid regular fee \$70
- \* **3PP paid \$50**

- \* Pnt paid dentist full fee of \$70 (\$50 Insurance fee + \$20 out-of-pocket)
- \* NON is paid regular fee \$70
- \* **3PP paid \$50**

## **NDCC §26.1-36-12**

1. Any provision in any individual or group accident and health insurance policy, employee welfare benefit plan, or nonprofit health service contract issued by any insurance company, group health plan as defined in section 607(1) of the Employee Retirement Income Security Act of 1974 [Pub.L. 99-272; 100 Stat. 281; 29 U.S.C. 1167(1) ], or nonprofit health service corporation denying or prohibiting the insured, participant, beneficiary, or subscriber from assigning to the department of human services any rights to medical benefits coverage to which the insured, participant, beneficiary, or subscriber is entitled under the policy, plan, or contract is void. **An individual or group insurance company or nonprofit health service corporation shall recognize the assignment of medical benefits coverage completed by the insured, participant, beneficiary, or subscriber, notwithstanding any provision contained in the policy or contract to the contrary.**