

Testimony for HB 1471

Chairman Warrey and Members House Industry, Business and Labor committee.

I am Nels Christianson. I represent District 18, which includes central Grand Forks, Manvel, and Northeast Grand Forks County.

HB 1471 relates to the method of payments to dental offices from insurance carriers. This language and policy has been worked on going back to 2021 between the North Dakota Dental Association and Insurance Department.

I introduced this bill along with my cosponsors to provide protection from and to prevent insurance companies from mandating payments to dental offices be through “virtual credit cards” of which include “processing fees,” some of which can be as high as 5%, that they then impose on the dental practices. Further, often times the credit card companies “share” some of the profits of these “processing fees” with the insurance companies that in turn mandate their use.

This bill is simple policy that requires two things: Transparency and Freedom of Choice

First for Transparency:

The bill requires Insurance Carriers to notify dental offices if they plan to use “virtual credit cards” for their method of payment and also to notify the dental office of all of the “processing fees” that are included in this method of payment type.

Second for Freedom of Choice:

The bill **does not** prohibit “virtual credit cards,” but rather directs that if an insurance carrier decides to use “high fee virtual credit cards” they **MUST** give the dental practice the option to select a different/traditional payment method—e.g. paper check, ACH—that does not impose high fees or is load bearing. A dental practice and insurance carrier can still elect to use “virtual credit cards” if both parties agree to that method of payment process.

Last an Amendment that I distributed:

As noted above, this bill was drafted in consultation, agreement and under the direction of the Insurance Department. Unfortunately, some of the language did not come out as the Insurance Department would have preferred and the bill was originally not placed in the code section they would most prefer it to be in. As such, I have already had Legislative Council prepare an amendment, under the direction of the Insurance Department, to the satisfaction of all parties. The amendment that I distributed does not materially change the bill in any way or affect the policy in any shape or form. Rather it is just clerical housekeeping work to place the language in the proper section with terminology that most accurately aligns and is consistent with that respective section.

Thank you for your time today and I hope you would give HB 1471 a Do Pass Recommendation with the amendments as prepared and agreed upon by the Insurance Department and North Dakota Dental Association.