

2025 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1471

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1471
2/3/2025

A BILL for an Act to create and enact a new section to chapter 26.1-36.9 of the North Dakota Century Code, relating to dental benefit plan method of payment options.

8:33 a.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, Brown, Christy, Finley-DeVile, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Discussion Topics:

- Processing fees
- Freedom of choice
- Virtual credit cards
- Sharing fee(s) with carriers
- Carrier sharing with profits

8:33 a.m. Representative Nels Christianson, District 18, Grand Forks, ND, introduced, testified and submitted testimony #33721.

8:37 a.m. Chrystal Bartuska, Division Director Live & Health, ND Insurance Department, testified as neutral.

8:40 a.m. William R. Sherwin, Executive Director, ND Dental Association, testified in favor and submitted testimony #33405 and #33406.

8:49 a.m. Representative Koppelman moved to Adopt Amendment LC #25.1227.01001, #33406.

8:49 a.m. Representative Bahl seconded the motion.

Voice Vote.

Motion passed.

8:49 a.m. Representative Grindberg moved Do Pass as amended.

8:49 a.m. Representative Koppelman seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y

Representative Landon Bahl	Y
Representative Collette Brown	Y
Representative Josh Christy	AB
Representative Lisa Finley-DeVile	Y
Representative Karen Grindberg	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	Y
Representative Ben Koppelman	Y
Representative Dan Ruby	Y
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Y

Motion passed 13-0-1.

8:50 a.m. Representative Grindberg will carry the bill.

8:50 a.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1471

Introduced by

Representatives Christianson, Dockter, Kasper, Koppelman, Ostlie, Finley-DeVillie, Louser
Senators Bekkedahl, Paulson, Cleary, Meyer, Lee

2-3-25

JB 102

1 A BILL for an Act to create and enact a new section to chapter ~~26.1-36.9~~26.1-47 of the North
2 Dakota Century Code, relating to ~~dental benefit plan~~method of dental payment options in
3 preferred provider arrangements.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 ~~SECTION 1. A new section to chapter 26.1-36.9 of the North Dakota Century Code is~~
6 ~~created and enacted as follows:~~

7 **SECTION 1.** A new section to chapter 26.1-47 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Method of dental payment option.**

- 10 1. ~~A dental benefit plan~~preferred provider arrangement may not include restrictions on
11 methods of payment from the dental ~~benefit plans or the plan's~~insurer or third-party
12 ~~payor vendor or the health maintenance organization to the dentist~~dental provider in
13 which the only acceptable payment method is a credit card payment.
- 14 2. If initiating or changing payments to a ~~dentist~~dental provider using electronic funds
15 transfer payments, including virtual credit card payments, a dental ~~benefit plan~~insurer
16 or the ~~plan's~~contracted vendor ~~or health maintenance organization~~ shall:
- 17 a. Notify the ~~dentist~~dental provider if any fees are associated with a particular
18 payment method;
- 19 b. Advise the ~~dentist~~dental provider of the available methods of payment and
20 provide clear instructions to the ~~dentist~~dental provider as to how to select an

JB 262

- 1 alternative payment method that does not impose fees or similar charges on the
2 provider; and
- 3 c. Notify the ~~dentist~~dental provider if the dental ~~benefit plan~~insurer is sharing a part
4 of the profit of the fee charged by the credit card company to pay the claim.
- 5 3. A dental ~~benefit plan~~provider or the plan'sa contracted vendor-or health maintenance
6 organization, which initiates or changes payments to a ~~dentist~~dental provider through
7 the automated clearinghouse network, under title 45, Code of Federal Regulations,
8 sections 162.1601 and 162.1602, may not charge a fee solely to transmit the payment
9 to a ~~dentist~~dental provider unless the ~~dentist~~dental provider has consented to the fee.
10 A ~~dentist's~~dental provider's agent may charge reasonable fees if transmitting an
11 automated clearinghouse network payment related to transaction management, data
12 management, portal services, and other value-added services in addition to the bank
13 transmittal.
- 14 4. As used in this section, "dental insurer" and "dental provider" have the same meaning
15 as in section 26.1-36.9-01.

**REPORT OF STANDING COMMITTEE
HB 1471**

Industry, Business and Labor Committee (Rep. Warrey, Chairman) recommends **AMENDMENTS** ([25.1227.01001](#)) and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1471 was placed on the Sixth order on the calendar.

Reducing Costly Administrative Barriers through Virtual Credit Card Legislation



Some insurance companies require dentists to accept claim payment through a virtual credit card, which can include a per-transaction fee of as much as 5%. In some cases, insurance companies even share in the revenue generated from these fees.

Patient Concerns

How insurers pay claims can have an impact on patient care. Dentists are best suited to decide what form of claim payment fits the overall practice design. Adding an extra expense in the form of transactional fees does not lower healthcare costs, limits payment options and could impact investment in patient care. Dentists best serve patients when they make informed decisions on practice operations including the method of claim payment transactions.

Solution

The North Dakota Dental Association supports legislation that would prohibit insurance companies from forcing dentists to be paid only through high-fee virtual credit cards. Virtual credit card reforms do not prohibit this payment method but require that providers be informed of other payment options and be given the opportunity to opt into a different payment method. In the last five years, legislation addressing this problem has passed with bipartisan support in over half of all states.

What Are the Benefits of Virtual Credit Card Laws?

- Providers are able to explore a variety of claim payment methods that ultimately impact patient care and overall costs.
- Dental practices, which are often small businesses, are no longer forced to solely accept a payment method which may come with a fee of as much as 5%.

Virtual Credit Card Laws in North Dakota

Currently in Place

None

Proposed

HB 1471



North Dakota
DENTAL ASSOCIATION



Bipartisan Success for Virtual Credit Card Legislation

► PASSED IN

29 states

In **Arizona, HB 2494** prohibits a health insurer from restricting the method of claim payments from the health insurer to the healthcare provider in which the only acceptable payment method is a credit card payment or an electronic funds transfer payment.

Connecticut's HB 5206 prohibits certain health carriers from requiring dentists to accept reimbursement for covered dental services by way of an electronic funds transfer or a virtual credit card.

In **North Carolina, SB 252** prohibits restrictions on methods of claim payment in which the only acceptable payment method from the insurer or entity to the provider of the dental services is a credit card payment.

► To learn more about virtual credit card legislation in North Dakota, please contact the North Dakota Dental Association at 701-223-8870 or William Sherwin at wsherwin@smilenorthdakota.org.

25.1227.01001
Title.

Prepared by the Legislative Council
staff for Representative Christianson
January 29, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1471

Introduced by

Representatives Christianson, Dockter, Kasper, Koppelman, Ostlie, Finley-DeVille, Louser

Senators Bekkedahl, Paulson, Cleary, Meyer, Lee

1 A BILL for an Act to create and enact a new section to chapter ~~26.1-36.9~~26.1-47 of the North
2 Dakota Century Code, relating to ~~dental benefit plan~~ method of dental payment options in
3 preferred provider arrangements.

4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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6 ~~created and enacted as follows:~~

7 **SECTION 1.** A new section to chapter 26.1-47 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Method of dental payment option.**

10 1. A ~~dental benefit plan~~ preferred provider arrangement may not include restrictions on
11 methods of payment from the dental ~~benefit plans or the plan's~~ insurer or third-party
12 payor vendor ~~or the health maintenance organization~~ to the ~~dentist~~ dental provider in
13 which the only acceptable payment method is a credit card payment.

14 2. If initiating or changing payments to a ~~dentist~~ dental provider using electronic funds
15 transfer payments, including virtual credit card payments, a dental ~~benefit plan~~ insurer
16 or the ~~plan's~~ contracted vendor ~~or health maintenance organization~~ shall:

17 a. Notify the ~~dentist~~ dental provider if any fees are associated with a particular
18 payment method;

19 b. Advise the ~~dentist~~ dental provider of the available methods of payment and
20 provide clear instructions to the ~~dentist~~ dental provider as to how to select an

1 alternative payment method that does not impose fees or similar charges on the
2 provider; and

3 c. Notify the ~~dentist~~dental provider if the dental ~~benefit plan~~insurer is sharing a part
4 of the profit of the fee charged by the credit card company to pay the claim.

5 3. A dental ~~benefit plan~~provider or ~~the plan's~~a contracted vendor ~~or health maintenance~~
6 organization, which initiates or changes payments to a ~~dentist~~dental provider through
7 the automated clearinghouse network, under title 45, Code of Federal Regulations,
8 sections 162.1601 and 162.1602, may not charge a fee solely to transmit the payment
9 to a ~~dentist~~dental provider unless the ~~dentist~~dental provider has consented to the fee.
10 A ~~dentist's~~dental provider's agent may charge reasonable fees if transmitting an
11 automated clearinghouse network payment related to transaction management, data
12 management, portal services, and other value-added services in addition to the bank
13 transmittal.

14 4. As used in this section, "dental insurer" and "dental provider" have the same meaning
15 as in section 26.1-36.9-01.

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.

2025 SENATE HUMAN SERVICES

HB 1471

2025 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Fort Lincoln Room, State Capitol

HB 1471
3/5/2025
10:25 A.M.

Relating to method of dental payment options in preferred provider arrangements.
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10:25 a.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

Discussion Topics:

- Virtual Credit Cards
- Impact on patient care

10:25 a.m. Representative Nels Christianson, District 18, introduced the bill and testified in favor.

10:28 a.m. William Sherwin, Executive Director of ND Dental Association, testified in favor and submitted testimony #38657 and #38879.

10:36 p.m. Chairman Lee closed the hearing.

Andrew Ficek, Committee Clerk

Reducing Costly Administrative Barriers through Virtual Credit Card Legislation



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HB 1471



North Dakota
DENTAL ASSOCIATION



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25.1227.03000

Sixty-ninth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1471

Introduced by

Representatives Christianson, Dockter, Kasper, Koppelman, Ostlie, Finley-DeVille, Louser

Senators Bekkedahl, Paulson, Cleary, Meyer, Lee

- 1 A BILL for an Act to create and enact a new section to chapter 26.1-47 of the North Dakota
- 2 Century Code, relating to method of dental payment options in preferred provider
- 3 arrangements.

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6 and enacted as follows:

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- 8 1. A preferred provider arrangement may not include restrictions on methods of payment
9 from the dental insurer or third-party payor vendor to the dental provider in which the
10 only acceptable payment method is a credit card payment.
- 11 2. If initiating or changing payments to a dental provider using electronic funds transfer
12 payments, including virtual credit card payments, a dental insurer or the contracted
13 vendor shall:
 - 14 a. Notify the dental provider if any fees are associated with a particular payment
15 method;
 - 16 b. Advise the dental provider of the available methods of payment and provide clear
17 instructions to the dental provider as to how to select an alternative payment
18 method that does not impose fees or similar charges on the provider; and
 - 19 c. Notify the dental provider if the dental insurer is sharing a part of the profit of the
20 fee charged by the credit card company to pay the claim.
- 21 3. A dental provider or a contracted vendor, which initiates or changes payments to a
22 dental provider through the automated clearinghouse network, under title 45, Code of

- 1 Federal Regulations, sections 162.1601 and 162.1602, may not charge a fee solely to
2 transmit the payment to a dental provider unless the dental provider has consented to
3 the fee. A dental provider's agent may charge reasonable fees if transmitting an
4 automated clearinghouse network payment related to transaction management, data
5 management, portal services, and other value-added services in addition to the bank
6 transmittal.
7 4. As used in this section, "dental insurer" and "dental provider" have the same meaning
8 as in section 26.1-36.9-01.

2025 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Fort Lincoln Room, State Capitol

HB 1471
3/5/2025
1:25 P.M.

A BILL for an Act to create and enact a new section to chapter 26.1-47 of the North Dakota Century Code, relating to method of dental payment options in preferred provider arrangements.

1:25 p.m. Chairman Lee opened the hearing.

Members Present: Chairman Lee, Vice-Chairman Weston, Senator Van Oosting, Senator Clemens, Senator Hogan, Senator Roers.

Discussion Topics:

- Virtual Credit Card statements
- Acceptable forms of payment

1:28 p.m. Senator Weston moved Do Pass.

1:28 p.m. Senator Van Oosting seconded the motion.

Senators	Vote
Senator Judy Lee	Y
Senator Kent Weston	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	AB
Senator Kristin Roers	Y
Senator Desiree Van Oosting	Y

Motion passed 5-0-1.

Senator Roers will carry the bill.

1:29 p.m. Chairman Lee closed the hearing.

Andrew Ficek, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1471 ([25.1227.03000](#))**

Human Services Committee (Sen. Lee, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). HB 1471 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.