

# SENATE BILL REPORT

## SB 6097

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As of January 18, 2024

**Title:** An act relating to clarifying requirements for fairness and transparency in network contracting for dental services by carriers offering stand-alone dental plans.

**Brief Description:** Clarifying dental services contract requirements.

**Sponsors:** Senators Cleveland, Rivers, Hasegawa, Kuderer, Salomon and Wellman.

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/19/24.

**Brief Summary of Bill**

- Requires a health carrier to allow a contracted dental provider to decline to participate in certain contract terms or changes for stand-alone dental plans.

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### SENATE COMMITTEE ON HEALTH & LONG TERM CARE

**Staff:** Greg Attanasio (786-7410)

**Background:** Under current law a health carrier must provide a contracted health care provider at least 60 days notice of any proposed material amendments to a health care provider's contract. A material amendment is one that would result in requiring a health care provider to participate in a health plan, product, or line of business with a lower fee schedule in order to continue to participate in a health plan, product, or line of business with a higher fee schedule. A material amendment does not include any of the following:

- a decrease in payment or compensation resulting from a change in a fee schedule published by the carrier when the date of applicability is clearly identified in the contract, compensation addendum, or fee schedule notice;
- a decrease in payment or compensation anticipated under the terms of the contract if the amount and date of applicability of the decrease is clearly identified in the

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- contract; or
- changes unrelated to compensation so long as reasonable notice of not less than 60 days is provided.

A health care provider's rejection of the material amendment does not affect the terms of the health care provider's existing contract.

**Summary of Bill:** A health carrier offering a stand-alone dental plan must permit a dental services provider to choose not to:

- participate in third-party access to a dental services provider contract;
- accept a proposed material dental services amendment; and
- enter into a contract directly with a health carrier or third party payor that acquires a dental services provider contract.

A material dental services amendment is an amendment or modification to a contract between a health carrier offering a stand-alone dental plan and a dental services provider that would result in requiring a dental services provider to participate in a new health plan, product, or line of business regardless of whether or not there are changes in payment or compensation.

When contracting with a dental service provider for a dental-only plan, a health carrier must accept a provider that meets the selection criteria even if the provider does not accept a contract term that would permit third party access to the contract and provider compensation agreement.

A health carrier must provide at least 60 days notice to a dental service provider of any proposed material dental services amendments to the contract. Any proposed material amendment must be clearly defined as such and describe the third party being granted access to the provider's services or compensation agreement, before the provider's notice period begins. The notice must also inform the provider that the amendment will not take effect unless the provider affirmatively agrees. A provider's decision to reject the amendment does not affect the existing contract with the health carrier. If the provider rejects the amendment, the health carrier may not cancel or otherwise end the existing contract.

The provisions of this act do not apply to a dental services provider contract if:

- access to a dental services provider contract or provider compensation agreement is granted to a carrier operating in accordance with the same brand licensee program as the carrier offering the stand alone dental plan, or a carrier that is an affiliate of the carrier contracted with the provider; or
- the dental services provider contract is for dental services provided to beneficiaries of state-sponsored health programs such as Medicaid and the children's health insurance program.

A brand licensee program is a regional or national association of carriers offering stand-alone dental plans that entitles carriers meeting certain standards to license the use of a regional or national brand name.

**Appropriation:** None.

**Fiscal Note:** Requested on January 12, 2024.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.