

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6458

BILL NUMBER: SB 87

NOTE PREPARED: Feb 10, 2011

BILL AMENDED: Feb 10, 2011

SUBJECT: Contracts for Dental Services.

FIRST AUTHOR: Sen. Leising

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits dental insurers and health maintenance organizations from requiring dentists to accept certain payments.

Effective Date: July 1, 2011.

Explanation of State Expenditures: (Revised) If an insurer or health maintenance organization (HMO) requires a dentist to accept an amount established by an insurer as payment for health care services provided to an insured, under the bill this act would be considered an unfair and deceptive act. To the extent insurance providers and HMOs are found to have engaged in additional unfair and deceptive acts, this bill will increase workload of the Department of Insurance to investigate allegations and provide adjudicative proceedings to determine if an unfair or deceptive act has been committed.

Explanation of State Revenues: (Revised) If this bill increases the number of unfair and deceptive acts discovered by the Department of Insurance, revenue to the General Fund will increase from civil penalties paid by violators. The penalty for engaging in an unfair and deceptive act is one or more of the following: (1) a civil penalty between \$25,000 and \$50,000 for each act or violation and (2) revocation of a person's license or certificate of authority if they knowingly engaged in an unfair or deceptive act. Actual increases in revenue are unknown.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bill Brumbach, 232-9559.