



February 15, 2022

ENGROSSED SENATE BILL No. 136

DIGEST OF SB 136 (Updated February 15, 2022 9:40 am - DI 137)

Citations Affected: IC 27-7.

Synopsis: Dental plans. Prohibits a dental plan (an insurance policy, a health maintenance organization contract, or a preferred provider plan) from directly or indirectly requiring a dental provider to provide a dental service to a covered individual at a fee amount that is: (1) set by the dental plan; or (2) subject to the approval of the dental plan; unless the dental service is a covered service under the dental plan. Prohibits a third party administrator or another person from arranging for a dental provider to provide dental services for a dental plan that sets the amount of the fee for any dental services unless the dental services are covered services under the dental plan. Authorizes the insurance commissioner to issue a cease and desist order against a person that violates any of these prohibitions and, if the person violates the cease and desist order, to impose a civil penalty upon the person and suspend or revoke the person's certificate of authority.

Effective: July 1, 2022.

**Zay, Brown L, Bohacek, Bassler,
Buck, Garten, Rogers,
Randolph Lonnie M**

(HOUSE SPONSORS — ZENT, SCHAIBLEY, CARBAUGH, LEHMAN)

January 4, 2022, read first time and referred to Committee on Insurance and Financial Institutions.

January 12, 2022, amended, reported favorably — Do Pass.

January 20, 2022, read second time, ordered engrossed. Engrossed.

January 24, 2022, read third time, passed. Yeas 46, nays 1.

HOUSE ACTION

January 31, 2022, read first time and referred to Committee on Financial Institutions and Insurance.

February 15, 2022, amended, reported — Do Pass.

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February 15, 2022

Second Regular Session of the 122nd General Assembly (2022)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 136

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-7-17.5 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2022]:
4 **Chapter 17.5. Dental Plans Setting Fees for Dental Services**
5 **Sec. 1. As used in this chapter, "covered individual" means an**
6 **individual who is entitled to:**
7 (1) dental services; or
8 (2) coverage of dental services.
9 **Sec. 2. As used in this chapter, "covered service" means a dental**
10 **service for which a reimbursement:**
11 (1) is available under a dental plan; or
12 (2) would be available under a dental plan but for the
13 application of contractual limitations such as:
14 (A) deductibles;
15 (B) copayments;
16 (C) coinsurance;
17 (D) waiting periods;

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- 1 (E) annual or lifetime maximums;
 2 (F) frequency limitations;
 3 (G) alternative benefit payments; or
 4 (H) any other limitation;
 5 under the dental plan.
- 6 **Sec. 3. (a) As used in this chapter, "dental plan" means any of**
 7 **the following:**
- 8 (1) A policy issued by an insurer (as defined in IC 27-1-2-3(x))
 9 that provides coverage for dental services.
 10 (2) A contract under which a health maintenance organization
 11 (as defined in IC 27-13-1-19) provides or covers dental
 12 services.
 13 (3) A preferred provider plan (as defined in IC 27-8-11-1(g))
 14 that provides or covers dental services.
- 15 **(b) The term does not include the following:**
- 16 (1) A policy providing comprehensive coverage described in
 17 Class 1(b) and Class 2(a) of IC 27-1-5-1.
 18 (2) Accident only, Medicare supplement, long term care, or
 19 disability income insurance.
 20 (3) Coverage issued as a supplement to liability insurance.
 21 (4) Automobile medical payment insurance.
 22 (5) A specified disease policy.
 23 (6) Worker's compensation or similar insurance.
 24 (7) A student health plan.
 25 (8) A supplemental plan that always pays in addition to other
 26 coverage.
- 27 **Sec. 4. As used in this chapter, "dental service" means any**
 28 **service provided by a dentist within the scope of the dentist's**
 29 **licensure under IC 25-14.**
- 30 **Sec. 5. As used in this chapter, "person" means an individual, a**
 31 **corporation, a limited liability company, a partnership, or any**
 32 **other legal entity.**
- 33 **Sec. 6. As used in this chapter, "provider" means:**
- 34 (1) a dentist licensed under IC 25-14; or
 35 (2) a dental office through which one (1) or more dentists
 36 licensed under IC 25-14 provide dental services.
- 37 **Sec. 7. A dental plan may not directly or indirectly require a**
 38 **provider to provide a dental service to a covered individual at a fee**
 39 **amount that is:**
- 40 (1) set by the dental plan; or
 41 (2) subject to the approval of the dental plan;
 42 unless the dental service is a covered service.



1 **Sec. 8. A third party administrator or other person that:**
2 **(1) is not a dental plan; but**
3 **(2) arranges for providers to provide dental services through**
4 **dental plans or through another sort of network**
5 **arrangement;**
6 **shall not arrange for a provider to provide dental services for a**
7 **dental plan that sets the amount of the fee for the dental services**
8 **unless the dental services are covered services under the dental**
9 **plan.**

10 **Sec. 9. (a) If:**
11 **(1) an insurer (as defined in IC 27-1-2-3(x));**
12 **(2) a health maintenance organization (as defined in**
13 **IC 27-13-1-19);**
14 **(3) a preferred provider plan (as defined in IC 27-8-11-1(g));**
15 **or**
16 **(4) any other person;**
17 **violates this chapter, the insurance commissioner may enter an**
18 **order requiring the person to cease and desist from violating this**
19 **chapter.**

20 **(b) If a person violates a cease and desist order issued under**
21 **subsection (a), the insurance commissioner, after notice and**
22 **hearing under IC 4-21.5, may:**
23 **(1) impose a civil penalty upon the person of not more than**
24 **ten thousand dollars (\$10,000) for each day of violation;**
25 **(2) suspend or revoke the person's certificate of authority, if**
26 **the person holds a certificate of authority under this title; or**
27 **(3) both impose a civil penalty upon the person under**
28 **subdivision (1) and suspend or revoke the person's certificate**
29 **of authority under subdivision (2).**



COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 136, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 7, delete "The coverage of a dental service".

Page 3, delete lines 8 through 11.

and when so amended that said bill do pass.

(Reference is to SB 136 as introduced.)

ZAY, Chairperson

Committee Vote: Yeas 7, Nays 1.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions and Insurance, to which was referred Senate Bill 136, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 1, delete "IC 27-7-17" and insert "IC 27-7-17.5".

Page 1, line 4, delete "17." and insert "**17.5**".

Page 2, line 37, delete "(a)".

Page 3, delete lines 1 through 7.

Page 3, delete lines 37 through 42.

Delete pages 4 through 8.

and when so amended that said bill do pass.

(Reference is to SB 136 as printed January 13, 2022.)

CARBAUGH

Committee Vote: yeas 10, nays 2.

