

Assembly Financial Institutions and Insurance Committee
Testimony in Support of A.3246
December 11, 2023

Good morning, Mr. Chairman and Members of the Committee. My name is Jim Schulz, and I am the Director of Governmental and Public Affairs for the New Jersey Dental Association. With me today is Mr. Jeffrey Wood, NJDA's Public Affairs Coordinator.

We rise in strong support of A.3246, sponsored by Assemblywomen Pam Lampitt and Carol Murphy, as well as Assemblymen Vice Chair Gary Schaer and Dr. Herb Conaway, which improves patient transparency; protects consumer choice; and enables dentists to be fairly compensated for procedures and services they provide. I want to thank Assemblywoman Lampitt and her staff for their leadership on this important legislation.

A.3246, as amended, ends the use of disallow clauses by dental insurance carriers. Disallow clauses are when a carrier denies a claim AND prohibits the doctor from collecting any fees associated with a covered service or procedure they have already performed. The doctor routinely does not know the covered procedure will be disallowed until they receive an explanation of benefits from the carrier. This is materially different from the denial of a claim where a carrier does not provide remuneration for the covered service or procedure but does require the patient to pay for it.

Disallow clauses materially interfere with the doctor-patient relationship by forcing the dental marketplace into preselecting what types of procedures will be paid for and what will not. This places doctors in the untenable position of either providing the ethically right dental care to their patients and risk not being compensated, or ignoring the right healthcare choice for their patients to ensure the dental practice is economically viable.

A.3246 is pro-consumer. Dentists must secure written consent prior to treatment being performed. New Jersey dentists are already required by State Board of Dentistry regulation to discuss treatment options, alternatives, and payment responsibilities before a procedure or service is performed. This law codifies that and makes clear that patients understand their financial obligations before treatment begins, eliminating any unexpected or surprise billing.

This legislation puts patients in charge of decision making when it comes to their dental care. Patients will have the freedom to choose which services, products, and materials they want, without outside interference. This strengthens the doctor-patient relationship by facilitating and ensuring transparency and mutual understanding of the patient's treatment plan.

A.3246, puts clear guiderails in place regarding carriers' use of bundling and down-coding by defining how and when these applications may be used for claims processing and adjudication.

To be clear, this legislation does not take away a carrier's right to deny claims, nor does it compel carriers to pay claims they may otherwise not. It does not allow a doctor to charge more than the negotiated fee for, or balance bill beyond the copayment or deductible for covered services. It will not increase premium costs because the legislation does nothing to encumber more expenses by carriers.

Thank you for your time and consideration of this legislation today. I respectfully ask that you vote in favor of A.3246, as amended. I am happy to answer any questions you may have.