

**304.17C-136 Definitions for section -- Prohibition against payment method restrictions for dental benefit plan -- Electronic fund transfer payments.**

- (1) As used in this section:
  - (a) "Credit card payment":
    1. Means a type of electronic funds transfer in which a dental benefit plan or its contracted vendor issues a single-use series of numbers associated with the payment of dental services:
      - a. Performed by a dentist and chargeable to a predetermined dollar amount; and
      - b. For which the dentist is responsible for processing the payment by a credit card terminal or Internet portal; and
    2. Shall include virtual or online credit card payments for which no physical credit card is presented to the dentist and the single-use credit card expires upon payment processing;
  - (b) "Dentist agent" means a person that establishes an agency relationship contract with a dentist to process bills for services provided by the dentist under terms and conditions established between the agent and dentist. Such contracts may permit the dentist agent to submit bills, request reconsideration, and receive reimbursement; and
  - (c) "Electronic funds transfer payment":
    1. Means a payment by any method of electronic funds transfer other than health care electronic fund transfer and remittance advice transactions under 45 C.F.R. secs. 162.1601 and 162.1602; and
    2. Shall include virtual credit card payments.
- (2) A dental benefit plan shall not contain restrictions on methods of payment from the dental benefit plan or its vendors to the dentist in which the only acceptable payment method is a credit card payment.
- (3) When initiating or changing payments to a dentist using electronic funds transfer payments, a dental benefit plan or its vendors shall:
  - (a) Notify the dentist if any fees are associated with a particular payment method;
  - (b) Advise the dentist of the available methods of payment; and
  - (c) Provide clear instructions to the dentist as to how to select an alternative payment method.
- (4)
  - (a) A dental benefit plan or its vendor that initiates or changes payments to a dentist for health care electronic fund transfer and remittance advice transactions under 45 C.F.R. secs. 162.1601 and 162.1602 shall not charge a fee solely to transmit the payment to the dentist unless the dentist has consented to the fee.
  - (b) When transmitting health care electronic fund transfer and remittance advice transactions under 45 C.F.R. secs. 162.1601 and 162.1602, a dentist agent may charge reasonable fees for payments related to transaction management,

data management, portal services, and other value-added services in addition to the bank transmittal.

**Effective:** July 14, 2022

**History:** Created 2022 Ky. Acts ch. 48, sec. 4, effective July 14, 2022.

**Legislative Research Commission Note** (7/14/2022). 2022 Ky. Acts ch. 48, sec. 8, provides that this statute, which was created by the Act, shall apply to contracts issued, delivered, entered, extended, or renewed on or after July 14, 2022.