

1 AN ACT relating to assignment of benefits for dental services.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS 304.17C-130 TO 304.17C-138 IS  
4 CREATED TO READ AS FOLLOWS:

5 *(1) (a) An insurer providing coverage under a dental benefit plan shall honor an*  
6 *assignment, made in writing by a covered person, of payments due under*  
7 *the plan to a provider for dental services provided to the covered person.*

8 *(b) A provider with a valid assignment under paragraph (a) of this subsection*  
9 *may:*

10 *1. Bill the insurer; and*

11 *2. Notify the insurer of the assignment.*

12 *(c) Upon notice of an assignment made in accordance with paragraph (a) of*  
13 *this subsection, the insurer shall make payments directly to the provider.*

14 *(d) Upon request, a provider shall provide a copy of the assignment made in*  
15 *accordance with paragraph (a) of this subsection to the insurer.*

16 *(2) (a) An assignment made in accordance with subsection (1) of this section may*  
17 *be revoked by the covered person, with or without the consent of the*  
18 *provider, by submitting the revocation, in writing, to the insurer.*

19 *(b) An insurer that receives a revocation in accordance with paragraph (a) of*  
20 *this subsection shall send a copy of the revocation to the provider.*

21 *(c) A revocation made in accordance with this subsection shall:*

22 *1. Become effective when both the insurer and the provider have received*  
23 *a copy of the revocation notice; and*

24 *2. Only be effective for any charges incurred on or after the effective*  
25 *date established under subparagraph 1. of this paragraph.*

26 *(3) If, under an assignment authorized under subsection (1) of this section, a*  
27 *provider collects payment from a covered person and subsequently receives*

1 payment from the insurer, the provider shall reimburse the covered person, less  
 2 any applicable cost sharing, within forty-five (45) days.

3 (4) Any entity providing dental services shall provide conspicuous notice to the  
 4 covered person that any assignment of benefits is optional and that additional  
 5 payments may be required if the assigned benefits are not sufficient to pay for  
 6 dental services received by the covered person.

7 (5) Nothing in this section shall be construed to limit an insurer's ability to:

8 (a) Determine the scope of the insurer's benefits, services, or any other terms of  
 9 the insurer's plan; or

10 (b) Negotiate any contract with a health care provider regarding  
 11 reimbursement rates or any other lawful provisions.

12 ➔SECTION 2. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304  
 13 IS CREATED TO READ AS FOLLOWS:

14 (1) As used in this section, the following have the same meaning as in KRS 304.17C-  
 15 130:

16 (a) "Dental services"; and

17 (b) "Provider."

18 (2) (a) An insurer providing coverage for dental services shall honor assignments  
 19 made in accordance with Section 1 of this Act.

20 (b) A provider with a valid assignment under paragraph (a) of this subsection  
 21 shall comply with the requirements for providers under Section 1 of this  
 22 Act.

23 ➔Section 3. KRS 304.14-250 is amended to read as follows:

24 Except as provided in Sections 1 and 2 of this Act:

25 (1) A policy may be assignable or not assignable, as provided by its terms;~~[-]~~

26 (2) Subject to its terms relating to assignability, a life or health insurance policy,  
 27 regardless of when it was~~whether heretofore or hereafter~~ issued, under the terms

1 of which the beneficiary may be changed upon the sole request of the insured or  
 2 owner, may be assigned either by pledge or transfer of title, by an assignment  
 3 executed by the insured or owner alone and delivered to the insurer, whether or not  
 4 the pledgee or assignee is the insurer; ~~[-]~~

5 (3) Any assignment of a policy which is otherwise lawful and of which the insurer has  
 6 received notice, shall entitle the insurer to deal with the assignee as the owner or  
 7 pledgee of the policy in accordance with the terms of the assignment, until the  
 8 insurer has received at its principal office written notice of the termination of the  
 9 assignment or pledge, or written notice by or on behalf of some interest in the  
 10 policy in conflict with the assignment; and ~~[-]~~

11 (4) (a) Any individual insured under a group insurance policy or group annuity  
 12 contract shall have the right, unless expressly prohibited under the terms of  
 13 the policy or contract, to assign to any other person his or her rights and  
 14 benefits under the policy or contract, including ~~[-]~~ but not limited to ~~[-]~~ the right  
 15 to designate the beneficiary or beneficiaries and the rights as to conversion  
 16 provided for in KRS 304.16-180 to 304.16-200, inclusive.

17 (b) While the assignment is in effect, and regardless of when it was ~~whether~~  
 18 ~~heretofore or hereafter~~ made, the insurer shall be entitled to deal with the  
 19 assignee as the owner of the ~~such~~ rights and benefits in accordance with the  
 20 terms of the assignment and ~~[-; but]~~ without prejudice to the insurer on account  
 21 of any lawful action taken or payment made by the insurer ~~it~~ prior to receipt  
 22 by the insurer ~~it~~ at its principal office of ~~or~~ written notice of the assignment  
 23 or of the termination thereof.

24 (c) This subsection ~~section~~ acknowledges, confirms, and codifies the existing  
 25 right of assignment of interests under group life insurance policies.

26 ➔Section 4. KRS 304.17-130 is amended to read as follows:

27 (1) There shall be a provision as follows:

1 "Payment of Claims: Indemnity for loss of life will be payable in accordance  
2 with the beneficiary designation and the provisions respecting payment which may  
3 be prescribed herein and effective at the time of payment. If no designation or  
4 provision is then effective, any indemnity shall be payable to the estate of the  
5 insured. Any other accrued indemnities unpaid at the insured's death may, at the  
6 option of the insurer, be paid either to a beneficiary or to the estate. All other  
7 indemnities will be payable to the insured."

8 (2) **Except as provided by Sections 1 and 2 of this Act,** the following provisions, or  
9 either of them, may be included with the ~~foregoing~~ provision **required under**  
10 **subsection (1) of this section** at the option of the insurer:

11 (a) "If any indemnity of this policy shall be payable to the estate of the insured, or  
12 to an insured or beneficiary who is a minor or otherwise not competent to give  
13 a valid release, the insurer may pay such indemnity, up to an amount not  
14 exceeding \$... (insert an amount which shall not exceed \$5,000), to any  
15 relative by blood or connection by marriage of the insured or beneficiary who  
16 is deemed by the insurer to be equitably entitled thereto. Any payment made  
17 by the insurer in good faith pursuant to this provision shall fully discharge the  
18 insurer to the extent of the payment." **; and**

19 (b) "Subject to any written direction of the insured in the application or otherwise  
20 all or a portion of any indemnities provided by this policy on account of  
21 hospital, nursing, medical, or surgical services may, at the insurer's option and  
22 unless the insured requests otherwise in writing not later than the time of  
23 filing proofs of the loss, be paid directly to the hospital or person rendering  
24 services, ~~but~~ but it is not required that the service be rendered by a particular  
25 hospital or person."

26 ➔Section 5. KRS 304.18-090 is amended to read as follows:

27 **Except as provided in Sections 1 and 2 of this Act:**

- 1 (1) **Subject to**~~[Except as provided in]~~ subsection (2) of this section, all benefits under  
 2 any blanket health **insurance** policy or contract shall be payable to the person  
 3 insured, or to **the person's**~~[his]~~ designated beneficiary or beneficiaries, or to **the**  
 4 **person's**~~[his]~~ estate, except that if the person insured is a minor or otherwise not  
 5 competent to give a valid release, **the**~~[such]~~ benefits may be made payable to **the**  
 6 **person's**~~[his]~~ parent, guardian, conservator, or other person actually supporting **the**  
 7 **minor or person not competent to give a valid release; and**~~[him.]~~
- 8 (2) (a) **A blanket health insurance policy or contract**~~[The policy]~~ may provide that  
 9 all or a portion of any indemnities provided by **the**~~[any such]~~ policy **or**  
 10 **contract** on account of hospital, nursing, medical, or surgical services may, at  
 11 the option of the insurer and unless the insured requests otherwise in writing  
 12 not later than the time of filing proofs of such loss, be paid directly to the  
 13 hospital or person rendering such services,~~[;]~~ but the policy **or contract** may  
 14 not require that the service be rendered by a particular hospital or person.
- 15 (b) Payment ~~[so]~~made **directly to a hospital or other person for all or a portion**  
 16 **of any indemnities provided by a blanket health insurance policy or contract**  
 17 shall discharge the obligation of the insurer with respect to the amount of  
 18 insurance so paid.
- 19 ➔Section 6. This Act shall apply to policies, plans, and contracts issued or  
 20 renewed on or after the effective date of this Act.