

1 AN ACT relating to dental benefit plans.

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 a*  
6 *written assignment of benefits due under the plan that is made:*

7 *1. By a covered person to a provider for dental services provided to the*  
8 *covered person; and*

9 *2. On a form established by the commissioner in an administrative*  
10 *regulation promulgated in accordance with KRS Chapter 13A and*  
11 *subsection (2) of this section.*

12 *(b) A provider with a valid assignment under paragraph (a) of this subsection*  
13 *shall provide the following to the insurer when submitting a request for*  
14 *payment pursuant to the assignment:*

15 *1. A copy of the signed assignment; and*

16 *2. Any information or documentation necessary for verifying coverage*  
17 *under the dental benefit plan.*

18 *(c) 1. Upon a provider's compliance with paragraph (b) of this subsection,*  
19 *the insurer shall make payments directly to the provider.*

20 *2. Payments made to a provider under subparagraph 1. of this paragraph*  
21 *shall be at the same rate as payments made to in-network providers.*

22 *(2) The form established by the commissioner under subsection (1)(a)2. of this*  
23 *section shall, at a minimum, include a notice informing the covered person that:*

24 *(a) The provider, as applicable:*

25 *1. Is an out-of-network provider;*

26 *2. May charge the covered person for services not covered under the*  
27 *dental benefit plan; and*

- 1           3. May charge the covered person the balance of any bill for services that  
2                   are covered under the dental benefit plan;
- 3           (b) Any assignment of benefits is optional; and
- 4           (c) If the covered person has accrued a credit balance on his or her account,  
5                   the provider will:
- 6                   1. Notify the covered person of the credit balance with the provider; and
- 7                   2. a. Except as provided in subdivision b. of this subparagraph,  
8                           refund any credit balance that has accrued on the covered  
9                           person's account with the provider within thirty (30) days of  
10                           receiving a request for refund from the covered person; and
- 11                           b. If, under the assignment, the provider collects payment from the  
12                           covered person and subsequently receives payment from the  
13                           insurer, refund the covered person within thirty (30) days of  
14                           receiving the payment from the insurer unless the provider and  
15                           covered person agree otherwise in writing.
- 16           (3) (a) An assignment may be revoked by the covered person, with or without the  
17                   consent of the provider, by submitting the revocation, in writing, to the  
18                   insurer.
- 19                   (b) An insurer that receives a revocation referenced in paragraph (a) of this  
20                   subsection shall promptly send a dated and time-stamped copy of the  
21                   revocation to the provider.
- 22                   (c) A revocation made in accordance with this subsection shall:
- 23                           1. Become effective when the insurer receives a copy of the revocation;  
24                                   and
- 25                           2. Only be effective for any charges incurred on or after the effective  
26                           date established under subparagraph 1. of this paragraph.
- 27           (4) Nothing in this section shall be construed to limit an insurer's ability to:

1        (a) Determine the scope of a dental benefit plan's benefits, services, or other  
2        terms that are not in conflict with this section; or

3        (b) Negotiate any contract with a health care provider regarding  
4        reimbursement rates or any other lawful provisions that are not in conflict  
5        with section.

6        ➔Section 2. KRS 304.14-250 is amended to read as follows:

7        Except as provided in Section 1 of this Act and KRS 304.17A-265 and 304.20-105:

8        (1) A policy may be assignable or not assignable, as provided by its terms;

9        (2) Subject to its terms relating to assignability, a life or health insurance policy,  
10        regardless of when it was issued, under the terms of which the beneficiary may be  
11        changed upon the sole request of the insured or owner, may be assigned either by  
12        pledge or transfer of title, by an assignment executed by the insured or owner alone  
13        and delivered to the insurer, whether or not the pledgee or assignee is the insurer;

14        (3) Any assignment of a policy which is otherwise lawful and of which the insurer has  
15        received notice shall entitle the insurer to deal with the assignee as the owner or  
16        pledgee of the policy in accordance with the terms of the assignment, until the  
17        insurer has received at its principal office written notice of the termination of the  
18        assignment or pledge or written notice by or on behalf of some interest in the policy  
19        in conflict with the assignment; and

20        (4) (a) Any individual insured under a group insurance policy or group annuity  
21        contract shall have the right, unless expressly prohibited under the terms of  
22        the policy or contract, to assign to any other person his or her rights and  
23        benefits under the policy or contract, including but not limited to the right to  
24        designate the beneficiary or beneficiaries and the rights as to conversion  
25        provided for in KRS 304.16-180 to 304.16-200, inclusive.

26        (b) While the assignment is in effect, and regardless of when it was made, the  
27        insurer shall be entitled to deal with the assignee as the owner of the rights

1 and benefits in accordance with the terms of the assignment and without  
2 prejudice to the insurer on account of any lawful action taken or payment  
3 made by the insurer prior to receipt by the insurer at its principal office of  
4 written notice of the assignment or of the termination thereof.

5 (c) This subsection acknowledges, confirms, and codifies the existing right of  
6 assignment of interests under group life insurance policies.

7 ➔Section 3. KRS 304.17-130 is amended to read as follows:

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

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

16 (2) Except as provided in *Section 1 of this Act and* KRS 304.17A-265, the following  
17 provisions, or either of them, may be included with the provision required under  
18 subsection (1) of this section at the option of the insurer:

19 (a) "If any indemnity of this policy shall be payable to the estate of the insured, or  
20 to an insured or beneficiary who is a minor or otherwise not competent to give  
21 a valid release, the insurer may pay such indemnity, up to an amount not  
22 exceeding \$.... (insert an amount which shall not exceed \$5,000), to any  
23 relative by blood or connection by marriage of the insured or beneficiary who  
24 is deemed by the insurer to be equitably entitled thereto. Any payment made  
25 by the insurer in good faith pursuant to this provision shall fully discharge the  
26 insurer to the extent of the payment."; and

27 (b) "Subject to any written direction of the insured in the application or otherwise,

1 all or a portion of any indemnities provided by this policy on account of  
2 hospital, nursing, medical, or surgical services may, at the insurer's option and  
3 unless the insured requests otherwise in writing not later than the time of  
4 filing proofs of the loss, be paid directly to the hospital or person rendering  
5 services, but it is not required that the service be rendered by a particular  
6 hospital or person."

7 ➔Section 4. KRS 304.18-090 is amended to read as follows:

8 Except as provided in *Section 1 of this Act and* KRS 304.17A-265:

9 (1) Subject to subsection (2) of this section, all benefits under any blanket health  
10 insurance policy or contract shall be payable to the person insured, or to the  
11 person's designated beneficiary or beneficiaries, or to the person's estate, except that  
12 if the person insured is a minor or otherwise not competent to give a valid release,  
13 the benefits may be made payable to the person's parent, guardian, conservator, or  
14 other person actually supporting the minor or person not competent to give a valid  
15 release; and

16 (2) (a) A blanket health insurance policy or contract may provide that all or a portion  
17 of any indemnities provided by the policy or contract on account of hospital,  
18 nursing, medical, or surgical services may, at the option of the insurer and  
19 unless the insured requests otherwise in writing not later than the time of  
20 filing proofs of such loss, be paid directly to the hospital or person rendering  
21 such services, but the policy or contract may not require that the service be  
22 rendered by a particular hospital or person.

23 (b) Payment made directly to a hospital or other person for all or a portion of any  
24 indemnities provided by a blanket health insurance policy or contract shall  
25 discharge the obligation of the insurer with respect to the amount of insurance  
26 so paid.

27 ➔Section 5. This Act shall apply to policies, plans, and contracts issued or

- 1 renewed on or after the effective date of this Act.