



ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Hearing Testimony
Assembly Committee on Insurance
Thursday, September 21, 2023

Chairman Dittrich and members of the Assembly Committee on Insurance, thank you for affording me with the opportunity to testify on behalf of Assembly Bill 62, relating to: Assignment of dental benefits under health insurance.

With the rising costs and strained household budgets due to inflation and uncertain economic stability, an assignment of benefits law will help alleviate these hardships for dental patients in Wisconsin.

Roughly half of all states have an assignment of benefits law on the books. Assignment of benefit laws allow consumers to choose whether they would like their insurer to pay their dental care provider directly or pay the bill themselves and be reimbursed by the insurer.

For households on tight budgets, the lack of an assignment of benefits law can lead to financial hardship since, in many instances, the patient must pay his or her dental bill in full and then await a refund from the insurer. With high inflation exacerbating the time value of money, the need to pay first and await reimbursement is more costly for households than it used to be. The lack of an assignment of benefits law can create confusion for consumers, as insurers will often send a payment to the patient rather than the dental care provider. The enactment of an assignment of benefits law will save Wisconsin families time that would otherwise be spent processing and chasing down reimbursement from insurers.

Assignment of benefits laws promote consumer choice and protect against unnecessary financial hardship while imposing no additional costs on anyone. Under Assembly Bill 62, insurers would reimburse the same amount for the services provided, but would



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send the reimbursement to the dental care provider instead of the patient if that is what is requested by the insured patient.

To address concerns raised by stakeholders, we drafted an amendment to Assembly Bill 62. Assembly Amendment 1 does the following:

- Applies the bill's requirements to limited-scope dental benefit policies.
- Allows an assignment of benefits to be revoked by the insurer at any time.
- Adds qualifying language that an assignment of benefits must be active (i.e. not revoked) and known to the insurer at the time the insurer receives the reimbursement claim in order for the provider to be paid directly.
- Clarifies that an assignment or revocation of an assignment of benefits can be documented to the insurer electronically.
- Removes the requirement for an insurer to send a copy of the assignment of benefits to the provider to whom the assignment is made.
- Moves back the effective date from four months after publication to seven months of publication.

I would be happy to answer any questions you might have.



DUEY STROEBEL

STATE SENATOR • 20TH DISTRICT

Testimony on AB 62

September 21, 2023

Thank you Chair Dittrich and members of the Assembly Committee on Insurance for holding today's public hearing on Assembly Bill 62, a bill I authored with Representative Brooks to allow for a patient who receives routine dental care in Wisconsin to arrange for the insurance payment for these services to be sent directly to the dental provider. My testimony will speak to the bill as modified by Assembly Amendment 1.

In most instances, a patient would exercise the assignment of benefits for services received from a dentist who is not part of the network of the patient's dental insurer. Currently, the reimbursement from the insurer for such services will more often than not be sent directly to the patient instead of the provider. This arrangement can place both patients and providers in a difficult position. In many cases, the patient must pay their dental bill in full and then await the reimbursement from the insurer. The provider, on the other hand, is effectively forced to assume the role of bill collector, diverting time and resources away from other duties and responsibilities.

AB 62 creates a mechanism by which an insured patient can assign the reimbursement for dental services directly to the provider. In practice, the assignment would be made in the provider's office and the provider would transmit the assignment to the insurer on behalf of the patient. The insurer would then be required to directly pay the provider the amount of the reimbursement claim using the same criteria and payment schedule that would have been used to reimburse the patient.

Assembly Amendment 1 is the product of several months of good-faith negotiations with key stakeholders on the bill. The Amendment's provisions are for the most part technical in nature and can be summarized as follows:

- Applies the bill's requirements to limited-scope dental benefit policies by updating a definition cross-reference. A drafting oversight resulted in the bill's requirements being applied to health benefit plans, which generally do not cover routine dental care.
- Allows an assignment of benefits to be revoked by the insured at any time.
- Clarifies that an assignment must be active and known to the insurer at the time a reimbursement claim is received in order for the provider to be paid directly.
- Clarifies that an assignment or revocation of an assignment can be documented to the insurer electronically.
- Removes the requirement for an insurer to send a copy of the assignment to the provider to whom the assignment is made. This requirement was redundant, as the assignment will almost always be evidenced by the provider before it is transmitted to the insurer.
- Moves back the effective date of the bill from 4 months to 7 months after publication to provide sufficient time for implementation.

I am hopeful that the committee will place its support behind AB 62, as amended, and move Wisconsin one step closer to joining over half of the states in the country who have enacted similar laws. Thank you for your time.