

**HB 3008 STAFF MEASURE SUMMARY**

**House Committee On Behavioral Health and Health Care**

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**Meeting Dates:** 2/13

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**WHAT THE MEASURE DOES:**

Limits ability for dental carrier to pay claim for reimbursement using credit card or electronic funds transfer method that imposes fee on provider to process payment. Imposes limitations and conditions on ability of dental carrier to contract with third party to provide access to services and discounted rates of provider network contract. Exempts dental carrier contracts with licensees or affiliates and the state medical assistance program.

*FISCAL: May have fiscal impact, but no statement yet issued.*

*REVENUE: May have revenue impact, but no statement yet issued.*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 established a set of standardized transactions that health plans, clearinghouses, and providers must use when conducting business electronically to ensure uniformity in the communication of administrative information. The Affordable Care Act of 2010 required the Department of Health and Human Services (HHS) to adopt a series of regulations aimed at streamlining health care administrative transactions, encouraging greater use of standards by providers, and making existing standards work more efficiently. Beginning January 1, 2014 health insurers have been required to conduct electronic funds transfer (EFT) and electronic remittance advice (ERA) transactions according to the standards adopted by HHS. Despite this standardization, some insurers have utilized virtual credit cards to make one-time payments. Virtual credit card transactions can carry a fee, often a percentage of the transaction amount, that essentially reduce the providers total reimbursement.

House Bill 3008 would limit dental carriers' ability to reimburse providers using electronic funds transfer methods that impose a fee on the provider and lease provider network access and discounted rates.