



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 281 (Substitute S-1 as reported)

Sponsor: Senator Sam Singh

Committee: Health Policy

CONTENT

The bill would amend the Insurance Code to do the following:

- Authorize a contracting entity to grant a third-party access to a provider network contract, a provider's dental services, or contractual discounts provided under a network contract, if certain requirements were met and certain exclusions did not apply.
- Require a contracting entity to allow a provider that was part of the carrier's provider network to choose to not participate in third-party access to the provider network contract or to enter a contract directly with the health insurer that acquired the provider network.
- Prohibit a contracting entity from cancelling or otherwise ending a contractual relationship with a provider if the provider rejected participation in third-party access.
- Require a contracting entity to accept a qualified provider if the provider rejected participation in third party access when initially contracting with a provider.
- Prescribe other requirements that would have to be met for a contracting entity to grant a third-party access to contracts, services, and discounts under the bill.
- Prescribe exemptions to the bill's authorization, including a circumstance in which access to a provider network contract was granted by a dental carrier that was responsible for administering the dental benefit plan in accordance with its provider network contracts.

Proposed MCL 500.3406aa

BRIEF RATIONALE

According to testimony, some dental benefits companies lease their network of providers to third parties, and many dentists in those networks may not know their services have been leased. Reportedly, this causes confusion for patients and dentists because in-network status and fees may be unknown until after care is administered, among other problems. Some people believe that there should be better transparency in the network leasing space, and so it has been recommended that requirements for dental network leasing be enacted.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

As the bill would exclude dental services provided to beneficiaries under health care coverage that was established or maintained by State or a local government, the bill would have no fiscal impact on State or local government.

Date Completed: 6-27-23

Fiscal Analyst: John P. Maxwell