



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1664

PRINTER'S NO. 2787

PRIME SPONSOR: Scott

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
Insurance Regulation and Oversight Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

House Bill 1664, Printer's Number 2787 establishes requirements for payments from insurance companies to dentists.

ANALYSIS:

This legislation amends Title 40 (Insurance) of the Pennsylvania Consolidated Statutes by adding Chapter 47 (Payment Choice) to establish requirements for insurance payments to dentists. Insurance companies, or their contracted vendors, may not restrict the method of payment to a dentist so that the only payment method is by credit card. If the insurance company initiates or changes payment to the dentist using an electronic funds transfer (EFT), which includes credit card payments, then the insurance company must advise the dentist of all available payment methods, notify the dentist that fees imposed by the insurance company may apply to EFT payments and provide information on the amount of the fees charged, provide instructions on selecting a payment method, and not charge a fee solely to transmit the payment to the dentist.

Violation of these requirements may result in fines or penalties imposed by the Department of Insurance. Penalties and fines include a fine of not more than \$5,000 for each violation, and a fine of not more than \$10,000 for each willful violation. The legislation imposes limits on the total amount of fines that can be assessed against an individual insurer (\$500,000) or against any other person subject to these requirements (\$100,000) within a single calendar year.

This legislation will take effect in 60 days.

FISCAL IMPACT:

The Department of Insurance (Department) oversees the insurance companies' compliance with requirements included in Title 40. Additionally, the department investigates any potential compliance issues and, if necessary, would impose any resulting penalties and fines, as included in this legislation. The department does not currently anticipate any increase in administrative costs due to the payment method requirements.

The collection of penalties and fines by the Department may result in increased revenue received by the Commonwealth for the Insurance Regulation and Oversight Fund. However, the number of insurance companies that would be found to be out of compliance with these requirements and have fines assessed is unknown at this time. Therefore, any increased revenue to the Commonwealth as a result of fines imposed by this legislation is currently indeterminate.

PREPARED BY: Mara Perez, Senior Budget Analyst

House Appropriations Committee (D)

DATE: April 8, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.