
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2598 Session of
1982

INTRODUCED BY TADDONIO, LAUGHLIN, MANDERINO, GRUPPO, WESTON,
CLARK, GEORGE, DEAL, BROWN, KUKOVICH, DURHAM, PUNT,
LESCOVITZ, COLAFELLA, IRVIS AND McVERRY, JUNE 9, 1982

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 9, 1982

AN ACT

1 Establishing an act regulating dental plan organizations.

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20 The General Assembly of the Commonwealth of Pennsylvania
21 hereby enacts as follows:

22 Section 1. Short title.

23 This act shall be known and may be cited as the "Dental Plan
24 Organization Act."

25 Section 2. Definitions.

26 The following words and phrases when used in this act shall
27 have, unless the context clearly indicates otherwise, the
28 meanings given to them in this section:

29 "Commissioner." The Insurance Commissioner.

30 "Dental plan." Any contractual arrangement for dental

1 services provided directly or arranged for or administered
2 directly on a prepaid or postpaid individual or group capitation
3 basis, but shall not include a plan arranged, operated and
4 administered by a labor organization for the purpose of
5 providing dental services to the membership of the labor
6 organization, a plan arranged, operated and administered by an
7 employee for the purpose of providing dental services to his
8 employees, and a plan arranged, operated and administered by a
9 hospital plan corporation or a professional health service
10 corporation organized pursuant to 40 Pa.C.S. Chapters 61
11 (relating to hospital plan corporations) and 63 (relating to
12 professional health services plan corporations).

13 "Dental plan organization." Any person who undertakes to
14 provide directly or to arrange for or administer one or more
15 dental plans providing dental services.

16 "Dental services." The general and usual services rendered
17 and care administered by doctors of dental surgery, as defined
18 in the act of May 1, 1933 (P.L.216, No.76), known as "The Dental
19 Law."

20 "Enrollee." An individual and his dependents who are
21 enrolled in a dental plan organization.

22 "Evidence of coverage." Any certificate, agreement or
23 contract issued to an enrollee setting forth the dental services
24 to which the enrollee is entitled.

25 Section 3. Certificate of authority for operation of dental
26 plan organization; application; information to be
27 submitted.

28 (a) No person may establish, operate or administer a dental
29 plan organization, or sell or offer to sell, or solicit offers
30 to purchase, or receive advance or periodic consideration in

1 conjunction with any dental plan organization, utilizing in the
2 aggregate the services of more than one full-time equivalent
3 dentist without obtaining and maintaining a certificate of
4 authority pursuant to this act.

5 (b) Within 90 days after the effective date of this act,
6 every dental plan organization utilizing in the aggregate the
7 services of more than one full-time equivalent dentist shall
8 submit an application for a certificate of authority to the
9 commissioner. A dental plan organization may continue to operate
10 until the commissioner acts upon the application. If the
11 application is denied, the dental plan organization shall be
12 treated as if its certificate of authority has been revoked.

13 (c) An application for a certificate of authority shall be
14 in a form prescribed by the commissioner, shall be verified by
15 an officer or authorized representative of the dental plan
16 organization and shall include the following:

17 (1) All basic organizational documents of the dental
18 plan organization such as the articles of incorporation,
19 articles of association, partnership agreement, trade name
20 certificate, trust agreement, shareholder agreement or other
21 applicable documents and all amendments to those documents.

22 (2) The bylaws, rules and regulations or similar
23 documents regulating the conduct or the internal affairs of
24 the dental plan organization.

25 (3) The names, addresses and official positions of the
26 persons who are to be responsible for the conduct of the
27 affairs of the dental plan organization, including all
28 members of the board of directors, board of trustees,
29 executive committee or other governing board or committee,
30 the principal officers in the case of a corporation and the

1 partners or members in the case of a partnership or
2 association.

3 (4) All proposed and existing contracts made between any
4 dentist and the dental plan organization.

5 (5) All proposed and existing contracts made between any
6 dentist and any person listed in paragraph (3), any
7 consultant or any business manager.

8 (6) A description of the dental plan organization, its
9 dental plan or plans, facilities and personnel.

10 (7) The form of the evidence of coverage to be issued to
11 the enrollees.

12 (8) The form of any group contract which is issued to
13 employers, unions, trustees or others.

14 (9) Financial statements showing the dental plan
15 organization's assets, liabilities and sources of financial
16 support. If the dental plan organization's financial affairs
17 are audited by independent certified public accountants, a
18 copy of the most recent regular certified financial statement
19 shall satisfy this requirement unless the commissioner
20 determines that additional or more recent financial
21 information is required for the proper administration of this
22 act.

23 (10) The proposed method of marketing the plan, a
24 financial plan with a three-year projection of the initial
25 operating results, a statement of the sources of working
26 capital and any other sources of funding, a description of
27 the facilities and personnel of the plan, and a list of
28 names, addresses, and qualifications of all agents,
29 employees, or independent contractors to be used in
30 solicitation and the basis of compensation for such services.

1 (11) A power of attorney duly executed by the dental
2 plan organization if not domiciled in this State, appointing
3 the commissioner, the commissioner's successors in office and
4 duly authorized deputies as the true and lawful attorney of
5 the dental plan organization in and for this State, upon whom
6 lawful process in any legal action or proceeding against the
7 dental plan organization on a cause of action arising in this
8 State may be served.

9 (12) A description of the geographic area or areas to be
10 served.

11 (13) A description of the procedures and programs to be
12 implemented to achieve an effective dental plan as required
13 in section 5(a)(2) and a description of the complaint
14 procedure required by section 12.

15 (14) Such other information as the commissioner may
16 require.

17 (d) The dental plan organization shall pay a fee of \$100 to
18 the commissioner upon filing an application for a certificate of
19 authority.

20 Section 4. Modification of information; notice.

21 Within 30 days following any significant modification of the
22 applicant's operations as set forth in the information required
23 by section 3, the applicant shall file with the commissioner
24 notice of such modification together with such supporting
25 documents as necessary to fully explain the modification. Where
26 the modification is the result of action by the applicant, the
27 notice shall be provided at least 30 days prior to
28 implementation and the modification shall be deemed approved if
29 the commissioner does not disapprove it within 30 days of
30 filing. The commissioner may promulgate rules exempting from the

1 filing requirements those items he considers unnecessary.

2 Section 5. Issuance of certificate of authority.

3 (a) The commissioner shall issue a certificate of authority
4 if he is satisfied that the following conditions are met:

5 (1) The persons responsible for conducting the affairs
6 of the dental plan organization are competent and trustworthy
7 and of good moral character and are professionally capable of
8 providing, arranging for or administering the services
9 offered by the plan.

10 (2) The dental plan organization constitutes an
11 appropriate mechanism to achieve an effective dental plan, as
12 determined by the commissioner.

13 (3) The dental plan organization has made effective
14 arrangements to assure that its subscribers have reliable
15 access to qualified providers in the geographic area or areas
16 to be served by such organization as necessary to provide the
17 dental care services described in the evidence of coverage
18 and has made appropriate and reasonable arrangements for the
19 availability of short-term dental care services in
20 emergencies within the geographical area or areas to be
21 served by the applicant.

22 (4) The dental plan organization has made appropriate
23 arrangements for an ongoing evaluation and assurance of the
24 quality of dental care services provided to enrollees and the
25 adequacy of the personnel, facilities and equipment by or
26 through which such services are rendered.

27 (5) The dental plan organization has a procedure to
28 establish and maintain uniform systems of cost accounting and
29 reports and audits that meet the requirements of the
30 commissioner, and disclose the cost and effectiveness of its

1 operations, the pattern of utilization of its services, and
2 the quality , availability and accessibility of its services.

3 (6) The dental plan organization is financially
4 responsible and may reasonably be expected to meet its
5 obligations to enrollees. In making this determination the
6 commissioner shall consider at best the following:

7 (i) The financial soundness of the dental plan's
8 arrangements for services and the schedule of charges
9 used.

10 (ii) Surety bonds or deposits of cash or securities
11 submitted in accordance with section 8 as a guarantee
12 that the obligations will be performed.

13 (iii) The sufficiency of an agreement with dentists
14 for the provision of dental services.

15 (iv) The adequacy of working capital.

16 (7) A general surplus is maintained as required in
17 section 6.

18 (8) A contingent surplus is accumulated and maintained
19 as required in section 7.

20 (9) The condition or methods of operation of the dental
21 plan organization are consistent with the public interest,
22 including the containment of costs of dental care services.

23 (b) When the commissioner disapproves an application for a
24 certificate of authority he shall notify the dental plan
25 organization in writing of the reasons for the disapproval.

26 (c) A certificate of authority shall expire one year
27 following the date of issuance or previous renewal. If the
28 dental plan organization remains in compliance with this act and
29 has paid a renewal fee of \$100, its certificate shall be
30 renewed.

1 Section 6. General surplus of plan.

2 The commissioner may determine, at his discretion, the amount
3 of a general surplus, if any, that the dental plan organization
4 shall be required to maintain.

5 Section 7. Special contingent surplus for organizations using
6 more than 20 full-time dentists.

7 A dental plan organization utilizing in the aggregate the
8 services of more than 20 full-time equivalent dentists shall
9 accumulate and maintain a special contingent surplus in excess
10 of its assets over liabilities at the rate of 2% annually of its
11 net contract and certificate income until the surplus totals
12 \$100,000.

13 Section 8. Operational Requirements.

14 (a) Any director, officer, employee or partner of a dental
15 plan organization who receives, collects, reimburses or invests
16 moneys in connection with the activities of the organization
17 shall be bonded for his fidelity in an amount which shall be
18 determined by the commissioner.

19 (b) Each dentist employed by a dental plan organization
20 shall be insured against professional liability or malpractice
21 by an insurer licensed to conduct business in this State for
22 such minimum amounts as shall be determined by the commissioner.

23 (c) The commissioner may establish qualifications of agents
24 to perform their duties under this act, including bonding
25 requirements, and issue licenses to those applicants for
26 licensure and renewal who meet these requirements. Rules
27 establishing such qualifications and procedures for the
28 implementation of the licensing program shall be adopted by the
29 commissioner. As used in this section, "agent" means a person
30 directly or indirectly associated with a prepaid dental plan

1 organization primarily to engage in solicitation or enrollment.

2 (d) Each dental plan organization to which a certificate of
3 authority has been issued pursuant to this act shall furnish a
4 surety bond in an amount satisfactory to the commissioner or
5 deposit with the commissioner cash or securities acceptable to
6 him in at least the same amount as a guarantee that the
7 obligations to the enrollees will be performed. The commissioner
8 may waive or reduce this requirement whenever satisfied that the
9 assets of the organization or its contracts with insurers,
10 governments, or other organizations or providers are sufficient
11 to reasonably assure the performance of its obligations.

12 (e) The investable funds of a dental plan organization shall
13 be invested only in securities or other investments permitted by
14 the laws of this State for the investment of assets constituting
15 the legal reserves of life insurance companies or such other
16 securities or investments as the commissioner may permit.

17 (f) Any licensed dentist may, upon the request of the
18 dentist, participate as a provider in the prepaid dental plan. A
19 licensed dentist may exercise such right for a period beginning
20 at least 30 days prior to the effective date of the plan and
21 continuing through at least 30 days immediately following the
22 effective date of the plan. In addition to the 60-day period
23 when a plan becomes effective, each plan shall provide an annual
24 period of at least 30 days during which a licensed dentist may
25 exercise such rights.

26 (g) Any enrollee may select any licensed dentist
27 participating as a provider in the plan for the rendition of
28 professional services rendered under the plan.

29 Section 9. Evidence of coverage for enrollees.

30 (a) Every enrollee of a prepaid dental plan shall be issued

1 an evidence of coverage by the prepaid dental plan organization.

2 (b) No evidence of coverage, or amendment thereto, shall be
3 delivered, issued for delivery, renewed, or used until the form
4 of such evidence of coverage, or amendment thereto, has been
5 filed by the dental plan organization with the commissioner and
6 approved. If the commissioner does not disapprove the evidence
7 of coverage or amendment within 30 days after it is filed, it
8 shall be deemed approved unless the commissioner sooner gives to
9 such organization his approval thereof. At any time the
10 commissioner may, upon at least 30 days' written notice to an
11 organization, withdraw his approval, deemed or actual, of any
12 evidence of coverage, or amendment thereto, on any grounds
13 stated in this section. Such disapproval shall be effected by
14 written order which shall state the grounds for disapproval.

15 (c) Evidence of coverage shall contain a clear and complete
16 statement if a contract, or a reasonably complete summary if a
17 certificate, of:

18 (1) The dental services and the insurance or other
19 benefits, if any, to which enrollees are entitled.

20 (2) Any limitations or exclusions on the services, kind
21 of services, benefits, or kind of benefits to be provided,
22 including any charge, deductible or copayment feature.

23 (3) Where and in what manner information is available as
24 to how services may be obtained, including telephone numbers.

25 (4) A clear and understandable description of the dental
26 plan organization's method for resolving enrollee's
27 complaints.

28 (d) Any subsequent change in the evidence of coverage or the
29 amount or percentage of payment which the enrollee is obligated
30 to pay, shall be evidenced in a separate document issued to the

1 enrollee.

2 Section 10. Schedule of charges for coverage, solicitation
3 documents, contracts with providers.

4 (a) No schedule of charges for enrollee coverage,
5 solicitation documents, or contract with a provider, or
6 amendments thereto, shall take effect or be utilized in any way
7 until an exact sample of such contract, schedule, document, or
8 amendment has been filed by the dental plan organization with
9 the commissioner and approved. If the commissioner does not
10 disapprove the contract, schedule, document, or amendment within
11 30 days after it is filed, it shall be deemed approved unless
12 the commissioner sooner gives to such organization his approval
13 thereof. If the commissioner determines within such 30-day
14 period that such contract, schedule, document, or amendment
15 thereof, is unlawful, unfair, or unreasonable, or otherwise
16 fails to meet the requirements of this act, he shall so notify
17 the organization. At any time the commissioner may, upon at
18 least 30 days' written notice to an organization, withdraw his
19 approval, deemed or actual. Such disapproval shall be effected
20 by written order which shall state the grounds for disapproval.

21 (b) Charges shall be established in accordance with
22 actuarial principles, but charges applicable to an enrollee
23 shall not be individually determined based on the status of his
24 health.

25 (c) The commissioner shall not approve a contract between a
26 prepaid dental plan organization and a dental care provider if
27 he finds that such contract fails to evidence a good faith
28 effort by the prepaid dental plan organization to contain
29 increases in the costs of providing dental care services or does
30 not require the contracting provider to observe, protect, and

1 promote the rights of subscribers as patients.

2 Section 11. Books and records; examination and inspection by
3 commissioner.

4 (a) The commissioner or his designee may, for due cause and
5 at least every three years, investigate the business and examine
6 the books, accounts, records and files of every dental plan
7 organization. For that purpose the commissioner or his designee
8 shall have reasonably free access to the offices and places of
9 business, books, accounts, papers, records and files of all
10 dental plan organizations. A dental plan organization shall keep
11 and use in its business such books, accounts and records as will
12 enable the commissioner to determine whether the dental plan
13 organization is complying with the provisions of this act and
14 with the rules and regulations promulgated pursuant to it. A
15 dental plan organization shall preserve its books, accounts and
16 records for at least four years; except that preservation by
17 photographic reproduction or records in photographic form shall
18 constitute compliance with this act.

19 (b) For the purpose of the examination, the commissioner
20 may, within the limits of funds appropriated for such purpose,
21 contract with such persons as he may deem advisable to conduct
22 the same or assist therein.

23 (c) At the discretion of the commissioner, the Secretary of
24 Health and the State Dental Council and Examining Board may
25 participate in the investigations and examinations described in
26 this section to verify the existence of an effective dental
27 plan.

28 (d) The expenses incurred in making any examination pursuant
29 to this section up to \$1,000 annually, shall be assessed against
30 and paid by the dental plan organization so examined. Upon

1 written notice by the commissioner of the total amount of an
2 assessment, a dental plan organization shall become liable for
3 and shall pay the assessment to the commissioner.

4 Section 12. Complaints; procedure for resolution; records.

5 (a) A dental plan organization shall establish and maintain
6 a complaint system to provide reasonable procedures for the
7 resolution of written complaints initiated by enrollees
8 concerning dental plan services.

9 (b) A dental plan organization shall provide a timely
10 written response to each written complaint it receives.
11 Responses to written complaints relating to quality or
12 appropriateness of care shall set forth a statement informing
13 the complainant in detail of his right to have the complaint
14 reviewed by a consulting dentist and of any other rights the
15 complainant may have to submit such complaint to any
16 professional peer review organization which has been set up by
17 professional associations or organizations to monitor the
18 quality or appropriateness of provider services rendered in the
19 geographic area or areas serviced by the prepaid dental plan
20 organization. Such statement shall set forth the name of the
21 peer review organization, its address, telephone number, and any
22 other pertinent data which will enable the complainant to seek
23 further independent review of the complaint. Such appeal shall
24 not be made to the peer review organization until the complaint
25 system of the dental plan organization has been exhausted.

26 (c) Copies of complaints, responses, and reviewing
27 consulting dentists' reports shall be available to the
28 commissioner and the State Dental Council and Examining Board
29 for inspection for at least three years after resolution of the
30 complaint.

1 (d) The commissioner may examine the complaint system and if
2 he determines that the system is not adequate he may require a
3 revision of the complaint system.

4 Section 13. Annual report; filing; forms.

5 (a) Every dental plan organization annually on or before
6 March 1 shall file with the commissioner a report covering its
7 activities for the preceding calendar year.

8 (b) The reports shall be on forms prescribed by the
9 commissioner and shall include:

10 (1) A financial statement of the dental plan
11 organization, including its balance sheet, receipts and
12 disbursements for the preceding year certified by a certified
13 public accountant.

14 (2) Any significant modification of information
15 submitted with the application for a certificate of
16 authority, including a current report of the names and
17 addresses of the persons responsible for the conduct of the
18 affairs of the corporation.

19 (3) The number of persons who became enrollees during
20 the year, the number of enrollees as of the end of the year
21 and the number of enrollments terminated during the year.

22 (4) A description of the enrollee complaint system
23 including the procedures of the complaint system, the total
24 number of written complaints handled through the system, a
25 summary of causes underlying the complaints filed, and the
26 number, amount and disposition of malpractice claims settled
27 during the year by the dental plan organization and any of
28 the dentists used by it.

29 (5) Any other information relating to the performance of
30 the dental plan organization as required by the commissioner.

1 Section 14. Expenses, taxes, licenses and fees; maximum
2 expenditures.

3 A dental plan organization shall not use more than 30% of its
4 gross contract and certificate income in the first year of
5 operation, 25% in the second year of operation and 20% in any
6 subsequent year for general expenses, acquisition expenses and
7 miscellaneous taxes, licenses and fees.

8 Section 15. False or misleading advertising; enforcement.

9 (a) No dental plan organization or representative thereof,
10 may cause or knowingly permit the use of advertising which is
11 untrue or misleading, solicitation which is untrue or
12 misleading, or any form of evidence of coverage which is
13 deceptive. For purposes of this act:

14 (1) A statement or item of information shall be deemed
15 to be untrue if it does not conform to fact in any respect
16 which is or may be significant to an enrollee of, or person
17 considering enrollment in, a dental plan.

18 (2) A statement or item of information shall be deemed
19 to be misleading, whether or not it may be literally untrue,
20 if, in the total context in which the statement is made or
21 the item of information is communicated, the statement or
22 item of information may be reasonably understood by a person
23 who does not possess special knowledge regarding dental plan
24 coverage, as indicating any benefit or advantage or the
25 absence of any exclusion, limitation or disadvantage of
26 possible significance to an enrollee of or person considering
27 enrollment in a dental plan, if the benefit or advantage or
28 absence of exclusion, limitation or disadvantage does not in
29 fact exist.

30 (3) Evidence of coverage shall be deemed to be deceptive

1 if the evidence of coverage taken as a whole and with
2 consideration given to typography, format and language, may
3 cause a person who does not possess special knowledge
4 regarding dental plans and evidences of coverage therefor, to
5 expect benefits, services, charges or other advantages which
6 the evidence of coverage does not provide or which the dental
7 plan organization issuing the evidence of coverage does not
8 regularly make available for enrollees covered under such
9 evidence of coverage.

10 (b) The unfair trade practice provisions contained in the
11 act of December 17, 1968 (P.L.1224, No.387), known as the
12 "Unfair Trade Practices and Consumer Protection Law," shall
13 apply to dental plan organizations, dental plans and evidences
14 of coverage, except to the extent that the commissioner
15 determines that the nature of dental plan organizations, dental
16 plans and evidences of coverage render these sections clearly
17 inappropriate.

18 (c) No dental plan organization, unless licensed as an
19 insurer, may use in its name, evidence of coverage or
20 literature, any of the words "insurance," "assurance,"
21 "casualty," "surety," "mutual" or any other words descriptive of
22 the insurance, casualty or surety business or deceptively
23 similar to the name or description of any insurer licensed to do
24 business in this State. The provisions of this subsection shall
25 be enforced by the Office of Attorney General and, where
26 applicable, the commissioner. Nothing in this act shall limit
27 the powers of the Attorney General and the procedures with
28 respect to consumer fraud.

29 Section 16. Suspension or revocation of certificate of
30 authority.

1 (a) The commissioner may suspend or revoke any certificate
2 of authority issued to a dental plan organization pursuant to
3 this act if he finds that any of the following conditions exist:

4 (1) The dental plan organization is operating in a
5 manner significantly contrary to that described in sections 3
6 and 4.

7 (2) The dental plan organization issues an evidence of
8 coverage which does not comply with the requirements of
9 section 9.

10 (3) The dental plan organization does not provide or
11 arrange for an effective dental plan as determined by the
12 commissioner.

13 (4) The dental plan organization can no longer be
14 expected to meet its obligations to enrollees.

15 (5) The dental plan organization, or any authorized
16 person on its behalf, has advertised or merchandised its
17 services in an untrue or misleading manner.

18 (6) The dental plan organization has failed to comply
19 with this act or any rules and regulations promulgated
20 thereunder.

21 (7) The dental plan organization has submitted false or
22 misleading information in any filing or submission required
23 by this act or any rule or regulation promulgated thereunder.

24 (b) When the commissioner has cause to believe that grounds
25 for the suspension or revocation of a certificate of authority
26 exist, he shall notify the dental plan organization in writing,
27 specifically stating the grounds for suspension or revocation. A
28 hearing on the matter shall be granted by the commissioner
29 within 20 days after a request in writing by the dental plan
30 organization. After the hearing, or upon failure of the dental

1 plan organization to appear at the hearing, the commissioner
2 shall take action on his findings.

3 (c) If the commissioner suspends the certificate of
4 authority, the dental plan organization shall not accept any
5 additional enrollees or engage in any advertising or
6 solicitation during the period of the suspension.

7 (d) If the commissioner revokes the certificate of
8 authority, the dental plan organization shall proceed to
9 dissolve its structure immediately following the effective date
10 of the order of revocation, and shall conduct no further
11 business except as may be essential to the orderly conclusion of
12 the affairs of the dental plan organization. The commissioner by
13 written order, however, may permit such further operation of the
14 dental plan organization as he finds to be in the best interest
15 of enrollees to the end that enrollees shall be afforded the
16 greatest practical opportunity to obtain continuing dental plan
17 coverage.

18 (e) Notwithstanding the provisions of subsections (c) and
19 (d), a dental plan organization which has had its certificate of
20 authority suspended or revoked, or has suffered an adverse
21 decision by the commissioner, shall be entitled to a hearing
22 pursuant to Title 2 of the Pennsylvania Consolidated Statutes
23 (relating to administrative law and procedure).

24 Section 17. Cease and desist orders.

25 (a) The commissioner may issue an order directing a dental
26 plan organization or a representative of a dental plan
27 organization to cease and desist from engaging in any act or
28 practice in violation of the provisions of this act.

29 (b) Within 20 days after service of the order of cease and
30 desist, the respondent may request a hearing on the question of

1 whether acts or practices in violation of this act have
2 occurred. The hearings shall be conducted pursuant to Title 2 of
3 the Pennsylvania Consolidated Statutes (relating to
4 administrative law and procedure) and judicial review shall be
5 available as provided therein.

6 Section 18. Violations; civil penalty.

7 Any dental plan organization which violates any provisions of
8 this act, or neglects, fails or refuses to comply with any of
9 the requirements of this act, except the failure to file an
10 annual report and the failure to reply in writing to inquiries
11 of the commissioner, shall be liable for a civil penalty of no
12 more than \$1,000 for each violation. The penalty may be sued for
13 and recovered by the Office of Attorney General.

14 Section 19. Insolvency of organization; action for injunction;
15 appointment of receiver.

16 Whenever any dental plan organization shall become insolvent
17 or shall suspend its ordinary business for want of funds to
18 carry on the same, or whenever the commissioner shall ascertain,
19 as a result of examination as authorized by this act, or in any
20 other manner, that the dental plan organization is exceeding its
21 powers or violating the law or that its condition or methods of
22 business may render the continuance of its operations hazardous
23 to its enrollees or the public, or that its assets are less than
24 its liabilities, the commissioner may institute an action in the
25 Commonwealth Court to enjoin it from the transaction of any
26 further business, or from the transfer or disposal of its
27 property in any manner whatsoever. The court may proceed in the
28 action in a summary manner or otherwise. It may grant injunctive
29 relief and appoint a receiver, with power to sue for, collect,
30 receive and take into his possession all the goods and chattels,

1 rights and credits, moneys and effects, lands and tenement,
2 books, papers, choses in action, bills, notes and property of
3 every description belonging to the dental plan organization and
4 sell and convey and assign the same, and authorize the purchase
5 of continuing coverage for enrollees utilizing the remaining
6 assets, and hold and dispose of the proceeds thereof under the
7 direction of the Commonwealth Court. The court may cause the
8 receiver to continue the existing operations of the
9 organization, under court supervision, until the next
10 anniversary of the subscription certificates and contracts then
11 in force. The dental plan organization may be deemed insolvent
12 whenever it is presently or prospectively unable to fulfill its
13 outstanding contracts and to maintain the surpluses required
14 pursuant to this act.

15 Section 20. Applications, filings and reports treated as public
16 documents.

17 Applications, filings and reports required under this act
18 except contracts referred to in section 3(c)(4) and (5), shall
19 be treated as public documents and shall not be considered
20 confidential.

21 Section 21. Confidentiality of diagnosis or treatment
22 information.

23 Data or information pertaining to the diagnosis, treatment or
24 health of any enrollee obtained by the dental plan organization
25 from the enrollee or any dentist shall be confidential and shall
26 not be disclosed to any person except to the extent that it may
27 be necessary to carry out the purposes of this act, or upon the
28 express consent of the enrollee, or pursuant to statute or court
29 order for the production of evidence or the discovery thereof,
30 or in the event of claim or litigation between the enrollee and

1 the dental plan organization wherein the data or information is
2 pertinent. A dental plan organization shall be entitled to claim
3 any statutory privileges against such disclosure which the
4 dentist who furnished the information to the dental organization
5 is entitled to claim.

6 Section 22. Rules and regulations.

7 The commissioner may promulgate such rules and regulations as
8 he may deem necessary to effectuate the purposes of this act.

9 Section 23. Severability.

10 If any section, term or provision of this act shall be
11 adjudged invalid for any reason, such judgment shall not affect,
12 impair or invalidate any other section, term or provision of
13 this act, and the remaining sections, terms and provisions shall
14 be and remain in full force and effect.

15 Section 24. Effective date.

16 This act shall take effect in 60 days.