

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-SEVENTH LEGISLATURE**      **S.F. No. 302**

(SENATE AUTHORS: VANDEVEER, Hann, Sparks, Brown and Howe)

DATE	D-PG	OFFICIAL STATUS
02/14/2011	239	Introduction and first reading Referred to Commerce and Consumer Protection
03/07/2011	433	Author stricken Scheid
05/04/2011	1735a 1747	Comm report: To pass as amended Second reading
05/17/2011	2110a 2110	Special Order: Amended Third reading Passed
05/18/2011	2209	Author added Howe
05/21/2011	3037	Returned from House

1.1    A bill for an act  
1.2            relating to insurance; regulating dental plan contracts and provider audits;  
1.3            amending Minnesota Statutes 2010, sections 62Q.76, by adding a subdivision;  
1.4            62Q.78, by adding subdivisions.

1.5    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6            Section 1. Minnesota Statutes 2010, section 62Q.76, is amended by adding a  
1.7            subdivision to read:

1.8                    Subd. 8. **Dental plan contract.** "Dental plan contract" means a written agreement  
1.9                    between a dentist or dental clinic and dental organization to provide dental care services.

1.10            Sec. 2. Minnesota Statutes 2010, section 62Q.78, is amended by adding a subdivision  
1.11            to read:

1.12                    Subd. 4. **Dental plan contract period.** A dental plan contract between a dental  
1.13                    organization and a dentist or dental clinic may not exceed three years. A contract that  
1.14                    is altered or amended by a dental organization within the three-year period may be  
1.15                    substituted for a current contract but is not effective without the written consent of a  
1.16                    dentist or dental clinic. The dentist must receive a copy of the proposed contract for  
1.17                    renewal along with a disclosure by the dental organization of all material changes in terms  
1.18                    of the contract or methods of reimbursement from the previous contract.

1.19            Sec. 3. Minnesota Statutes 2010, section 62Q.78, is amended by adding a subdivision  
1.20            to read:

1.21                    Subd. 5. **Contract amendment.** An amendment or change in terms of an existing  
1.22                    contract between a dental organization and a dentist must be disclosed to the dentist at

2.1 least 120 days before the effective date of the proposed change. A change to a provider's  
2.2 fee schedule is not an amendment or change in terms for purposes of this section. A  
2.3 dental organization may not alter or amend a dental plan contract, or impose an additional  
2.4 contractual obligation on a dentist or dental clinic, unless the dental organization complies  
2.5 with the requirements of this subdivision.

2.6 Sec. 4. Minnesota Statutes 2010, section 62Q.78, is amended by adding a subdivision  
2.7 to read:

2.8 Subd. 6. **Provider audits.** (a) A dental organization is prohibited from recovering  
2.9 payments or otherwise withholding payments from a provider.

2.10 (b) Notwithstanding paragraph (a), a dental organization may recover payments or  
2.11 withhold payments from a provider after an audit or investigation where the following  
2.12 circumstances are met:

2.13 (1) the dental organization has conducted an audit or investigation of the provider's  
2.14 actual patient records and claims submissions, reviewed all relevant information and  
2.15 documentation, and made verified findings following the audit or investigation;

2.16 (2) looks back no more than two years from the date the audit or investigation  
2.17 results are given to the provider; and

2.18 (3) the payments or withholding amount do not rely, in any way, on mathematical  
2.19 extrapolation or other statistical modeling.

2.20 (c) If a dental organization conducts a provider audit, the dental organization must  
2.21 use a licensed Minnesota dentist, who continues to practice chair-side and whose license  
2.22 is in good standing, to review the charts.

2.23 (d) If a dental organization undertakes a provider audit, as referenced in this  
2.24 subdivision, and determines that payments have been made to a provider for a noncovered  
2.25 service, the dental organization must issue new explanation of benefit forms advising  
2.26 patients that they may be responsible for the full amount of the noncovered service.

2.27 (e) Payments recovered by a dental organization as a result of a provider audit must  
2.28 be returned to the entity that sponsored the plan.

2.29 (f) As part of any provider audit process, a dental organization shall:

2.30 (1) provide a written explanation to the provider of the reason for the audit and the  
2.31 process the dental organization intends to use to audit the patient charts, as well as a  
2.32 written explanation of the processes available to the provider once the dental organization  
2.33 completes its review of the audited patient records;

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3.1 (2) allow the provider at least 120 days from the date that the provider receives the  
3.2 verified audit or investigation findings to review, meet, and negotiate a potential informal  
3.3 resolution to the audit or investigation; and

3.4 (3) not be allowed to assess or otherwise require the provider to reimburse the dental  
3.5 organization for its internal administrative costs, external consultant expenses, attorney  
3.6 fees, or other costs incurred in conjunction with any audit or investigation.

3.7 (g) For the purpose of this section, fraud means an intentional deception  
3.8 or misrepresentation a dentist or dental clinic makes knowing the deception or  
3.9 misrepresentation could result in an unauthorized benefit or reimbursement. Abuse  
3.10 means an incident or practice of a dentist or dental clinic that is inconsistent with  
3.11 accepted business or financial practices and which results in unnecessary cost to a dental  
3.12 organization.

3.13 Sec. 5. Minnesota Statutes 2010, section 62Q.78, is amended by adding a subdivision  
3.14 to read:

3.15 Subd. 7. **Payment for covered services.** (a) Notwithstanding any other provisions  
3.16 of law, no dental plan or dental provider agreement of a dental organization contracting  
3.17 for the provision of dental care services may require, directly or indirectly, that a dentist  
3.18 who is a participating provider provide services to an enrolled participant at a fee set by,  
3.19 or at a fee subject to the approval of, the dental plan or dental organization, unless the  
3.20 dental services are covered services.

3.21 (b) A health care service contractor or other person providing third-party  
3.22 administrator services shall not make available any providers in its dentist network to a  
3.23 plan that sets dental fees for any services except covered services.

3.24 (c) For purposes of this section, "covered services" means dental care services for  
3.25 which a reimbursement is available under an enrollee's plan contract.

3.26 Sec. 6. **EFFECTIVE DATE.**

3.27 Sections 1 to 5 are effective August 1, 2011, and apply to dental plans and provider  
3.28 agreements entered into or renewed on or after that date.