

Legislative Analysis



DENTAL PAYMENT REIMBURSEMENT METHOD

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House Bill 4860 as reported from committee

Sponsor: Rep. Mike Harris

Committee: Insurance

Complete to 11-5-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4860 would amend the Insurance Code to require a *health plan* or a nonprofit dental care corporation that provides dental benefits to offer at least one method of payment or reimbursement that pays a dentist the full amount owed without charging a fee for accessing the payment. This requirement would not apply to fees charged by the dentist's own financial institution.

Health plan would mean (as defined in section 2006 of the Insurance Code) either of the following:

- An insurer providing benefits under a health insurance policy, including a policy, certificate, or contract that provides coverage for specific diseases or accidents only, an expense-incurred vision or dental policy, or a hospital indemnity, Medicare supplement, long-term care, or one-time limited duration policy or certificate, but not payments made to an administrative service only or cost-plus arrangement.
- A multiple employer welfare arrangement regulated under Chapter 70 of the Insurance Code that provides hospital, medical, surgical, vision, dental, and sick care benefits.

If a dentist opts out of a payment or reimbursement method described above, that decision would remain in effect until the dentist opts back in or executes a new contract with the health plan or nonprofit dental care corporation.

The bill would apply to dental benefits policies delivered, issued for delivery, or renewed in Michigan after the bill's effective date.

Proposed MCL 500.3406ss

BRIEF DISCUSSION:

According to committee testimony, dentists have reported that certain third-party administrators are reimbursing through virtual credit card payment systems, and this can result in dentists' being charged processing fees to access the payments that they're owed for procedures. House Bill 4860 would ensure that providers have the opportunity to receive the full payment that they are owed.

Supporters testified that House Bill 4860 would not prohibit virtual credit cards but would require insurers and nonprofit dental care corporations to offer at least one payment method that provides full reimbursement without access fees. Once a dentist selects a preferred

payment method, the insurer would have to continue using that method unless the dentist opts to change it or signs a new contract.

During committee discussion, members clarified that the bill's intent is to ensure that providers can choose a payment option, such as electronic funds transfer or paper check, that delivers 100% of the reimbursement amount.

FISCAL IMPACT:

House Bill 4860 would have an indeterminate fiscal impact on the state. Section 150 of the Insurance Code provides for recourse and penalties in the event of a violation of the code. Under those provisions, violators have the opportunity for an administrative hearing before the director of the Department of Insurance and Financial Services (DIFS), who may levy a civil fine of \$1,000 for each violation, or \$5,000 if the individual knew or reasonably should have known that they were violating the Insurance Code. Civil fine payments under the Insurance Code are capped at \$50,000, and any revenue collected must be deposited to the general fund. To the extent that violations of the new provisions occur, additional general fund revenue may be realized and enforcement costs incurred.

POSITIONS:

A representative of the Michigan Dental Association testified in support of the bill. (9-17-25)

The following entities indicated support for the bill:

- Department of Insurance and Financial Services (9-17-25)
- Michigan Association of Health Plans (9-17-25)
- Michigan Association of Orthodontists (10-22-25)
- Council of Michigan Dental Specialties (9-17-25)

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