

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 813

(Senator Hayes)

Finance

Health

**Health Insurance and Dental Plan Organizations - Dentists - Assignment of
Benefits and Reimbursement of Nonpreferred Providers**

This bill expands provisions of law governing the assignment of benefits (AOB) under certain health insurance policies to apply to dentists (in addition to physicians under current law). The bill also establishes parallel provisions governing AOB and nonpreferred provider dentists for dental plan organizations (DPOs). **The bill takes effect January 1, 2027.**

Fiscal Summary

State Effect: Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2027 from the \$125 rate and form filing fee; any additional workload on MIA can be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Bill Summary:

Assignment of Benefits and Nonpreferred Providers

Under current law, if a preferred provider insurance policy offered by an insurer provides benefits for a service, an insured is entitled to receive the benefits for that service either through direct payments to the health care provider or through reimbursement to the insured. An insured may also request an AOB – the transfer of health care coverage

reimbursement benefits – to a nonparticipating provider. An insurer may not prohibit an AOB to a provider who is a physician by an insured or refuse to directly reimburse a nonpreferred provider who is a physician under an AOB, except under specified circumstances.

Current law specifies that, if an insured has not provided an AOB, the insurer must include specified information with the payment to the insured for health care services rendered by a nonpreferred provider physician. If a nonpreferred provider physician seeks an AOB from an insured, the physician must provide specified information to the insured prior to performing a health care service. A nonpreferred provider physician must submit a specified disclosure form to document to the insurer the AOB by an insured. An insurer may refuse to directly reimburse a nonpreferred provider under an AOB if (1) the insurer receives notice of the AOB after the time the insurer has paid the benefits to the insured; (2) the insurer, due to an inadvertent administrative error, has previously paid the insured; (3) the insured withdraws the AOB before the insurer has paid the benefits to the nonpreferred provider; or (4) the insured paid the nonpreferred provider the full amount due at the time of service.

The bill adds dentists to these AOB provisions and generally establishes parallel provisions regarding AOBs for a DPO. The Insurance Commissioner must develop necessary forms.

Definitions

Under current law, “provider” means a physician, hospital, or other person that is licensed or otherwise authorized to provide health care services. “Similarly licensed provider” means, for a physician, either a physician who is board certified or eligible in the same practice specialty or a group physician practice that contains board certified or eligible physicians in the same practice specialty; or for a health care provider who is not a physician, a health care provider who holds the same type of license or certification.

The bill adds a dentist to the definition of “provider” and expands the definition of “similarly licensed provider” to specify that it means, for a dentist, either a dentist licensed to practice dentistry in the State who performs the same or similar dental services or a group dental practice that consists of dentists licensed in the State who perform the same or similar dental services; or for a health care provider who is not a physician *or dentist*, a health care provider who holds the same type of license or certification.

Small Business Effect: Nonpreferred provider dental offices that are small employers gain the ability to obtain an AOB from patients but must provide certain disclosures to patients and submit a copy of the disclosure form to the carrier to document the AOB.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1091 (Delegate Kerr, *et al.*) - Health.

Information Source(s): Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2026
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