



Membership Matters

Key Legislative Victories for Vermont Dentists, Practices & Patients

Prohibition on Non-Covered Services Fees Enacted in Vermont

Governor Scott recently signed into law a bill containing one of the long-term priorities of the Vermont State Dental Society (VSDS) members over the last few years: a prohibition on any insurer from setting a fee for non-covered services.

The law ([Act 25](#), page 42) limits the insurers' ability to dictate the fees you charge. The only time insurers can dictate your fee is when you provide a covered service; which means reimbursement is available or would be available if not for certain contractual limitations. The law further prohibits dental plans from listing fees for non-covered services. Furthermore, the fees they set for covered services must be reasonable.

The new law takes effect on January 1, 2022 and will apply to all contracts and participating provider agreements entered into or renewed on or after that date. VSDS anticipates that as the effective date grows closer, dentists and offices will hear from insurance carriers regarding implementation of the new law.

This achievement reflects a true team effort on the part of many. Special thanks go to Rep. Lynn Dickinson (R-St. Albans Town) for introducing the legislation in the General Assembly, to Dr. Steve Pitmon for providing testimony before both House and Senate Committees in support of the measure and to each dentist who last year reached out expressing support for the bill.

Opt-in for Use of Virtual Credit Cards for Payment of Claims Enacted into Law

Another priority of the Vermont State Dental Society members became law this year addressing so-called virtual credit card payments. Dental offices in Vermont increasingly report that insurers or their contracted entities pay claims by sending a series of numbers to the practice that, when entered into a credit card terminal or designated website, release payments to the dentists, hence the name "virtual" credit card.

[Act 25](#), (page 44) says insurers may not require a dentist to accept reimbursement for claims in the form of a so-called “virtual credit card” payment unless the dentist affirmatively elects to receive payments in this manner. In other words, a dentist has the choice to opt-in to virtual credit card payments before an insurer may use them to pay claims. Any changes to your agreed-upon contract must now come with your knowledge and consent.

This is great news for dentists because there may also be a processing fee associated with these virtual credit card payments that range from 2.5 – 5% of the payment amount. Dental offices also report insurers are increasingly providing few or sometimes only one method for paying claims. They also make it difficult to opt-out of such a payment method.

The Legislature agreed with the concerns raised by VSDS on behalf of its members and even went further to apply this opt-in requirement to all health care providers. The new law becomes effective on January 1, 2022, which will allow insurers to develop new forms and change practices reflective of the new law.

No Vermont Taxation of Federal PPP Grants

The Vermont Legislature listened to the concerns of the Vermont State Dental Society and others in the business and health care community and agreed not to apply State income tax to entities receiving federal Paycheck Protection Program (PPP) loans. VSDS, on behalf of its members, joined a coalition of entities advocating with the Legislature in expressing concerns that a tax is contrary to federal intent, and represents an unexpected financial burden at a time when many businesses (dental offices) are still trying to emerge from the economic impact of the pandemic.

The Legislature, in language in a broader miscellaneous tax bill ([H.436](#)), made PPP loans tax exempt if forgiven in 2021 or after. The Governor signed this bill into law on June 8. This follows an earlier decision by the Legislature and Governor in [Act 9](#) (H.315) to not tax PPP grants forgiven in 2020.