

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1629 (Haney) – As Introduced January 26, 2026

Policy Committee: Health

Vote: 12 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

**SUMMARY:**

This bill requires a health care service plan (health plan) or health insurer that pays a contracting dental provider directly for covered services to pay a non-contracting dental provider directly for covered services if the non-contracting provider submits an assignment of benefits (AOB) form.

Specifically, this bill also:

- 1) Defines AOB as the transfer of reimbursement or other rights provided for under a health plan or insurance contract to a treating provider for services or items rendered to an enrollee.
- 2) Requires a non-contracting dental provider, before accepting an AOB, to disclose to an enrollee the following information:
  - a) The provider is a non-contracting dental provider.
  - b) The enrollee may experience lower out-of-pocket costs if they receive services from a contracting network dentist.
  - c) An estimate of what the planned treatment will cost and the enrollee's portion of the cost.
- 3) Requires a health plan or health insurer to notify an enrollee that the out-of-network cost may count towards their annual or lifetime maximum, as applicable, and that payment was sent to the provider.
- 4) Requires a dental plan or insurer to provide a predetermination or prior authorization to the dental provider and prohibits the dental plan or insurer from reimbursing the provider less than the amount set forth in the predetermination or prior authorization for the services, except as specified.
- 5) Exempts Medi-Cal managed care plans from the requirements in items 2 through 4, above.
- 6) Requires the information a dental plan or insurer reports to the Department of Managed Health Care (DMHC) or the Department of Insurance (CDI) to include comprehensive information regarding the dental provider networks that each provider serves, including the number of covered lives per line of business, including third party or administrative service organizations.

- 7) Requires DMHC and CDI review the adequacy of an entire dental provider network as reported by the health plan or insurer, including the portions of the network serving plans not regulated by the department.

#### FISCAL EFFECT:

CDI estimates costs of \$224,000 in fiscal year (FY) 2026-27, \$222,000 in FY 2027-28, and \$356,000 in FY 2028-29 and ongoing (Insurance Fund) to amend network adequacy regulations, review policy forms, and expand network adequacy reviews. CDI reports it currently reviews only specialized health insurance policies that provide pediatric essential health benefit dental care for network adequacy; this bill requires CDI to review all specialized health insurance policies that provide dental coverage.

Costs to DMHC of an unknown amount. However, assuming DMHC's costs to implement this bill would be similar to those for AB 371 (Haney), of the current legislative session, costs to DMHC could be in the millions of dollars per year (Managed Care Fund).

#### COMMENTS:

- 1) **Purpose.** This bill is sponsored by the California Dental Association (CDA). According to the author:

[M]illions of Californians pay their monthly dental insurance bill but never get the care they are entitled to. [This bill] will stop insurance companies from intentionally making it too difficult for families to use their dental insurance by requiring insurers to ensure that insurance payments go directly to the dentist, so patients aren't burdened with large upfront costs.

- 2) **Background. AOB.** A dental plan or insurer develops a network of dental providers who agree to treat patients covered by that plan or insurer. Dentists who contract with a dental plan agree to terms about reimbursement rates, cost-sharing, benefits covered, and other details. Contracting dentists are then listed as participating providers by the plan or insurer and have access to the patient network covered by the plan or insurer. Contracting dentists bill the dental plan directly for services and patients are responsible for cost-sharing amounts required by their plan or contract. This bill requires a dental plan or insurer to apply similar practices to a non-contracting dentist under an AOB, without requiring the non-contracting dentist to limit their rates to contractual levels. Additionally, under an AOB, patients would no longer be required to pay their non-contracting dental provider, and then be reimbursed for the amount the plan or insurer covers.
- 3) **Implementation Question.** The Assembly Health Committee analysis notes this bill requires CDI and DMHC to enforce provisions against entities they do not regulate, and requires CDI and DMHC to ensure out-of-network dentists comply with the consumer notification requirements when there is no enforcement mechanism for CDI and DMHC to compel dentists to comply with these requirements.
- 4) **Support.** Various associations of dental health professionals, the California Hospital Association, and the American Federation of State, County, and Municipal Employees, AFL-CIO expressed support for this bill. CDA writes Californians are finding it difficult to locate

in-network dentists because dental plans are failing to offer adequate networks for consumers. CDA argues many patients are forced to seek care from out-of-network providers, but some plans refuse to honor a patient's AOB.

- 5) **Opposition.** Delta Dental of California (Delta Dental) writes mandating AOBs fundamentally alters the contractual framework that supports provider networks and that the ability to receive direct payment incentivizes dentists to participate in networks and agree to discounted fee schedules, which lowers costs for patients. Delta Dental argues this bill will increase costs for patients and expresses concerns over the reporting requirements in this bill, among other concerns.
- 6) **Prior Legislation.** AB 371 (Haney), of the current Legislative Session, was similar to this bill but included time and distance standards. AB 371 was held on this committee's suspense file.

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