



## ERISA and the Improving Dental Administration Act

### H.R. 7931

**Ask:** Support targeted ERISA reform so state dental insurance consumer and patient protection laws apply consistently to patients covered through employer self-funded dental plans, as well as fully insured plans.

#### Why it matters

- Nearly half of Americans with dental benefits obtain coverage through self-funded employer plans governed by the federal Employee Retirement Income Security Act (ERISA).
- As self-funded coverage grows, differences in the application of state protections can create inconsistent rules for patients and providers.

#### The problem

- Insurance carriers often argue that ERISA preemption allows them to avoid state insurance laws designed to protect patients and providers, producing a two-tier system of protections based on plan design rather than patient need.

#### Policy approach (IDA Act)

- The Improving Dental Administration (IDA) Act would require that state insurance reform laws applying to fully insured dental plans also apply to self-funded dental coverage and the carriers administering those plans, closing the ERISA preemption loophole carriers interpret as allowing them to avoid state law.
- This is a narrowly targeted, state-law-based fix intended to apply existing protections consistently.

#### Examples of key state protections

- Prompt payment: Requires timely claims payment with interest penalties (50 states).
- Noncovered services: Prohibits insurers from dictating dentists' fees on services they do not cover (44 states).
- Virtual credit cards: Prevents mandatory payment methods that impose processing fees (33 states).
- Network leasing: Requires transparency and consent when insurers lease provider networks to other entities (32 states).
- Prior authorization continuity: Requires plans to honor pre-approved treatments in defined circumstances (16 states).

#### What Congress can do

- Cosponsor H.R. 7931, the IDA Act, introduced by Rep. Jeff Van Drew (R-NJ) and Rep. Herb Conaway (D-NJ), to ensure patients and providers receive the same state-law protections whether dental coverage is fully insured or self-funded, creating fairness and accountability across the board.

#### Information:

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