



May 5, 2026

The Honorable Melissa A. Murray, Chair
Senate Health and Human Services Committee
Rhode Island State Senate
82 Smith Street
Providence, RI 02903

RE: SENATE BILL 2461 – AN ACT RELATING TO INSURANCE -- UNFAIR CLAIMS SETTLEMENT PRACTICES ACT

Dear Chair Murray and Honorable Committee Members,

On behalf of the Rhode Island League of Cities and Towns, we respectfully submit this testimony in opposition to Senate Bill 2461, which would classify it as an unfair claims practice if a dental insurer fails to honor a “direction to pay” requested by a claimant or insured.

We appreciate the intent of this legislation to improve payment transparency and streamline interactions between patients, providers, and insurers. We also recognize provisions in the bill that expand payment flexibility for providers, including prohibiting mandatory virtual credit card payments and associated fees. However, we remain concerned about the broader implications of this proposal for municipalities and their employees.

While the bill permits insurers to review provider records to confirm that services were rendered, it significantly restricts their ability to adjust benefit payments based on that review. In practice, this limits an important cost-control tool used to ensure accurate billing and alignment with plan design. These safeguards are a standard part of claims administration and are essential to maintaining accountability in healthcare spending.

In addition, Senate Bill 2461 would require insurers to honor a direction to pay regardless of whether the provider participates in the insurer’s network, provided certain credentialing conditions are met. By extending payment requirements to out-of-network providers in a manner that closely mirrors in-network reimbursement structures, the bill reduces incentives for providers to participate in dental networks. Over time, this could lead to a decline in network participation, weakening one of the primary mechanisms municipalities rely on to manage costs and ensure value for employees.

As healthcare expenses continue to rise, limiting plan flexibility in this way may contribute to higher premiums and increased out-of-pocket costs. For municipalities, which already face significant budget constraints, these added pressures could impact the long-term sustainability of offering comprehensive dental benefits to employees and their families.

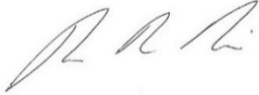
We also note that other states and national policy frameworks have adopted more balanced approaches that seek to protect patient-directed payment arrangements while preserving appropriate insurer oversight and cost containment tools. Rhode Island would benefit from a similarly balanced approach that maintains transparency without undermining the structural elements that help control costs.

For many municipalities, health and dental benefits represent one of the largest categories of expenditures after education. It is critical that we preserve tools that promote affordability, transparency, and fiscal responsibility.

The League remains committed to working collaboratively with the sponsor and all stakeholders to identify a balanced solution that supports patients and providers while avoiding unintended financial burdens on cities and towns. For these reasons, we respectfully urge the Committee to hold Senate Bill 2461 for further study.

Thank you for your time and consideration of our perspective.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. R. Rossi".

Randy R. Rossi
Executive Director

Cc: Honorable Members of Senate Health and Human Services Committee