

**GREAT PLAINS**  
ORAL & MAXILLOFACIAL SURGERY, PA



Date: February 11, 2026

To: House Committee on Insurance

From: Daniel C. Nielson DDS, FACD  
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RE: **Support of HB 2564**– Providing for the election of alternative payment methods by a dental provider.

Chairman Sutton and members of the Committee, I am Daniel Nielson an Oral & Maxillofacial Surgeon practicing in Olathe. Thank you for the opportunity to discuss my **support of HB 2564**.

I strongly support HB 2564! The cost to provide care for patient's is increasing at an alarming rate and HB 2564 will provide the people of Kansas aspects of transparency in the insurance payment process. This bill is a "fix" to a current virtual credit card law that was passed during the 2022 session and will restore the legislative intent of the original law.

The original intent of the 2022 "Virtual Credit Card" law was based off a problem many dental offices were experiencing, where dental insurance carriers were providing payment for treatment, with a virtual credit card. Instead of a direct deposit or a physical check, insurance carriers were providing this virtual credit card that the offices were to run for the payment via their credit card machine. The concern is that the dental office was then incurring a processing fee like a normal credit card payment, just to receive their payment for treatment that was rendered. In some cases, this was as high as 5%! To fully understand the discord, a dental office already accepts a contractual "write off" from an insurance company that is usually more than 30% and adding a 5% fee for just processing a payment seemed unjust and objectionable. In 2022, the Kansas legislative body worked the bill and agreed that this practice was not just for the people of Kansas and passed this beneficial protection into law. The win was short lived...

Since 2022 many dentists have opted out of receiving payment via virtual credit cards, but as soon as 6 months later dentist were receiving the credit card payments again. It was discovered that insurance carriers were arbitrarily opting the dentists back in to the virtual credit card payments, without their knowledge. The Kansas Dental Association assisted many of these dentists to file complaints with the Department of Insurance and it was investigated by the Department. Their determination was that the actions of the carriers were not in violation of law and directed us to correct this loophole via the legislative route, again. We are now in front of this committee presenting HB 2564 to restore the legislative intent and protections for patients, in a manner that will not require constant reapplication.

From my personal experience we have been receiving virtual credit card payments in my office for at least 5 years. My staff spent a significant amount of time in 2022 going through the “opt out” process, and please understand you don’t just do this process for a single provider you are required to do this for each major employer for the same company. My staff estimates they did the “opt out” for at least 150 plans over 6 months, to have all those plans return to sending us these virtual payments again. Despite the frustration of their efforts, I don’t want them to repeat this process, as I feel it would be a waste their time again. I am a small business and only have two members that are trained and proficient in insurance rules and processes. It is so frustrating that we had a great Kansas law that made a difference, but the insurance companies are insistent to find any way to continue the virtual credit card. How does this payment method help the insurance company? I will attest that it does not benefit the patient and for sure it is a horrible burden for the dental provider.

What you have before you today is a bill that closes the loopholes, but maintains the legislative intent of the previous bill. First, this will require the dentist to “opt in” for a virtual credit card payment, versus an “opt out” option. This fundamental protection will ensure the dentist has made the conscious decision for this payment option and not cause an unwanted surprise for them and the patient. Second, it will set a term for this “opt in” decision for the life of the contract or until the dentist chooses a different payment option and not be dictated by an arbitrary term set by the dental insurance carrier. Dental office staff members are already being burdened by the laborious process of getting the payment on the patient’s behalf, removing this additional stressor will be a step closer for better transparency in billing. Lastly, these changes are in line with the National Council of Insurance Legislators (NCOIL) template legislation on this subject.

In conclusion, HB 2564 prevents a business practice that does not help the patient, does not help the dental provider and it surely increases overhead. In addition, this law has been previously passed, we just ask of you to accept and move forward our improved bill to ensure the protections it will provide. I ask for you to support of HB 2564 and I thank you for the opportunity to testify today. I will stand for any questions you may have for me.