

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1694 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Marcus McEntire

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 1694

By: McEntire

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to dental insurance; providing definition; requiring certain health care service plans to file a medical loss ratio report; providing exemptions; verifying medical loss ratio annual report; requiring certain health care service plans to provide annual rebates; requiring the Oklahoma Insurance Department to regulate rates; authorizing the Attorney General to intervene; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 7350 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. As used in this act, "medical loss ratio (MLR)" means the minimum percentage of all premium funds collected by an insurer each year that must be spent on actual patient care rather than overhead costs. The minimum required percentage that dental insurance plans must meet for the portion of patient premiums must be dedicated to

1 patient care rather than administrative and overhead costs or the
2 difference must be refunded to individuals and groups in the form of
3 a rebate.

4 B. A dental benefit plan or the dental portion of a health
5 benefit plan that issues, sells, renews, or offers a specialized
6 health benefit plan contract covering dental services shall file a
7 medical loss ratio (MLR) with the Oklahoma Insurance Department that
8 is organized by market and product type and contains the same
9 information required in the 2013 federal Medical Loss Ratio Annual
10 Reporting Form (CMS-10418).

11 C. The MLR reporting year shall be for the calendar year during
12 which dental coverage is provided by the plan. All terms used in
13 the MLR annual report shall have the same meaning as used in the
14 federal Public Health Service Act, 42 U.S.C., Section 300gg-18, Part
15 158 of Title 45 of the Code of Federal Regulations.

16 D. If data verification of the dental benefit plan or the
17 dental portion of a health benefit plan's representations in the MLR
18 annual report is deemed necessary, the Department shall provide the
19 health benefit plan with a notification thirty (30) days before the
20 commencement of the financial examination.

21 E. The dental benefit plan or the dental portion of a health
22 benefit plan shall have thirty (30) days from the date of
23 notification to submit to the Department all requested data. The
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1 Insurance Commissioner may extend the time for a health benefit plan
2 to comply with this subsection upon a finding of good cause.

3 F. The Department shall make available to the public all of the
4 data provided to the Department pursuant to this section.

5 G. Exempt from this act are health benefit plans for health
6 care services under Medicaid, the Children's Health Insurance
7 Program, or other state-sponsored health programs.

8 SECTION 2. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 7351 of Title 36, unless there
10 is created a duplication in numbering, reads as follows:

11 A. A dental benefit plan or the dental portion of a health
12 benefit plan that issues, sells, renews, or offers a specialized
13 health care service plan contract covering dental services shall
14 provide an annual rebate to each enrollee under that coverage, on a
15 pro rata basis, if the ratio of the amount of premium revenue
16 expended by the dental benefit plan or the dental portion of a
17 health benefit plan on the costs for reimbursement for services
18 provided to enrollees under that coverage and for activities that
19 improve dental care quality to the total amount of premium revenue,
20 excluding federal and state taxes and licensing or regulatory fees,
21 and after accounting for payments or receipts for risk adjustment,
22 risk corridors, and reinsurance, as reported in subsection B of
23 Section 1 of this act, is less than, at minimum, eighty-five percent
24 (85%).

1 B. The total amount of an annual rebate required under this
2 section shall be calculated in an amount equal to the product of the
3 amount by which the percentage described in subsection A of this
4 section exceeds the insurer's reported ratio described in subsection
5 B of Section 1 of this act multiplied by the total amount of premium
6 revenue, excluding federal and state taxes and licensing or
7 regulatory fees and after accounting for payments or receipts for
8 risk adjustment, risk corridors, and reinsurance.

9 C. A dental benefit plan or the dental portion of a health
10 benefit plan shall provide any rebate owing to an enrollee no later
11 than August 1 of the calendar year following the year for which the
12 ratio described in subsection A of this section was calculated.

13 SECTION 3. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 7352 of Title 36, unless there
15 is created a duplication in numbering, reads as follows:

16 A. All carriers offering dental benefit plans shall file group
17 product base rates and any changes to group rating factors that are
18 to be effective on January 1 of each year, on or before July 1 of
19 the preceding year. The Oklahoma Insurance Department shall
20 disapprove any proposed changes to base rates that are excessive,
21 inadequate, or unreasonable in relation to the benefits charged.
22 The Department shall disapprove any change to group rating factors
23 that is discriminatory or not actuarially sound.

1 B. The carrier's rate shall be presumptively disapproved by the
2 Department if:

3 1. A carrier files a base rate change and the administrative
4 expense loading component, not including taxes and assessments,
5 increases by more than the most recent calendar year's percentage
6 increase in the dental services Consumer Price Index for All Urban
7 Consumers, U.S. city average, not seasonally adjusted;

8 2. A carrier's reported contribution to surplus exceeds one and
9 nine-tenths percent (1.9%); or

10 3. The aggregate medical loss ratio for all plans offered by a
11 carrier is less than the applicable percentage set forth in
12 subsection A of Section 2 of this act.

13 C. If a proposed rate change has been presumptively
14 disapproved:

15 1. A carrier shall communicate to all employers and individuals
16 covered under a group product that the proposed increase has been
17 presumptively disapproved and is subject to a hearing by the
18 Department;

19 2. The Department shall conduct a public hearing and shall
20 properly advertise the hearing in compliance with public hearing
21 requirements; and

22 3. The Attorney General may intervene in a public hearing or
23 other proceeding under this section and may require additional
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1 information as the Attorney General considers necessary to ensure
2 compliance with this subsection.

3 D. If the Department disapproves the rate submitted by a
4 carrier, the Department shall notify the carrier in writing no later
5 than forty-five (45) days prior to the proposed effective date of
6 the carrier's rate. The carrier may submit a request for hearing to
7 the Department within ten (10) days of such notice of disapproval.
8 The Department must schedule a hearing within fifteen (15) days upon
9 receipt of the request for hearing. The Department shall issue a
10 written decision within thirty (30) days after the conclusion of the
11 hearing. The carrier may not implement the disapproved rates or
12 changes at any time unless the Department reverses the disapproval
13 after a hearing or unless a court vacates the Department's decision.

14 SECTION 4. This act shall become effective November 1, 2023.

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