

1 ENGROSSED HOUSE
2 BILL NO. 3381

By: Echols, McEntire, and
Wallace of the House

3 and

4 Haste of the Senate
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8 An Act relating to dental insurance; providing
9 definitions; specifying calculations for dental loss
10 ratio; directing the Insurance Commissioner to
11 promulgate rules; regulating rules; mandating reports
12 by carrier; directing publication of dental loss
ratio data; mandating legislative reports; providing
for civil penalty; providing rules for insurance
cards; providing for codification; and providing an
effective date.

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

16 SECTION 1. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 6170.1 of Title 36, unless there
18 is created a duplication in numbering, reads as follows:

19 As used in this act:

20 1. "Community benefit expenditure" means an expenditure for an
21 activity or program, or to an organization, which seeks to achieve
22 the objectives of improving access to dental services and enhancing
23 dental public health. This includes an activity that:
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- a. is available broadly to the public and serves low-income consumers,
- b. reduces geographic, financial, or cultural barriers to accessing dental services, and if the activity ceased to exist would result in access problems,
- c. addresses oral health workforce shortages, such as advancing education and training of oral health professionals, or
- d. leverages or enhances dental public health activities;

2. "Dental coverage plan" means a health coverage plan that includes coverage for the costs of dental care services;

3. "Dental loss ratio" means the percentage of premium dollars collected each year for a dental coverage plan that the dental coverage plan incurs on dental services provided to an enrollee, separate from overhead and administrative costs.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6170.2 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. The dental loss ratio is calculated by dividing the numerator by the denominator, where:

1. The numerator is the sum of the amount incurred for clinical dental services provided to enrollees, the amount incurred on activities that improve dental care quality, and the amount of claims payments identified through fraud reduction efforts; and

1 2. The denominator is the total amount of premium revenue,
2 excluding federal and state taxes, licensing and regulatory fees
3 paid, nonprofit community benefit expenditures, and any other
4 payments required by federal law.

5 B. The Oklahoma Insurance Commissioner shall define by rule:

- 6 1. Expenditures for clinical dental services;
7 2. Activities that improve dental services;
8 3. Overhead and administrative cost expenditures; and
9 4. Nonprofit community benefit expenditures that are aligned
10 with exclusion parameters, except that the Commissioner shall ensure
11 that only expenditures that improve access to dental services or
12 enhance dental health, and no overhead or administrative costs, are
13 reported under this section.

14 C. The definitions promulgated by rule pursuant to this section
15 must be consistent with similar definitions that are used for the
16 reporting of medical loss ratios by carriers offering health benefit
17 plans in the state. Overhead and administrative costs must not be
18 included in the numerator as described in paragraph 1 of subsection
19 A of this section.

20 D. On or before July 31, 2025, and on or before July 31 each
21 year thereafter, a carrier that issues, sells, renews, or offers a
22 dental coverage plan shall file a dental loss ratio form
23 electronically with the Employees Group Insurance Division of the
24 Office of Management and Enterprise Services for the preceding

1 calendar year in which dental coverage was provided by the dental
2 coverage plan. The Commissioner may create a new reporting form or
3 use an existing reporting form to facilitate data collection. The
4 Commissioner shall ensure that fields are reported consistently by
5 carriers. The filing must:

6 1. Report the calculated dental loss ratio according to the
7 formula in subsection A of this section;

8 2. Separately report each data element;

9 3. Report additional data that includes the number of
10 enrollees, the plan cost-sharing and deductible amounts, the annual
11 maximum coverage limit, and the number of enrollees who meet or
12 exceed the annual coverage limit;

13 4. Report data by market segment and product type, as defined
14 by rule of the Commissioner; and

15 5. Be in a form and manner as prescribed by rule of the
16 Commissioner.

17 E. For the report to be submitted on or before July 31, 2025, a
18 carrier shall also submit the information required in subsection D
19 of this section for the plan years 2022 through 2025.

20 F. If the Commissioner deems that data verification of
21 carrier's dental loss ratio for a dental coverage plan is necessary,
22 the Commissioner shall give the carrier at least thirty (30) days
23 notification prior to beginning the verification process with the
24 carrier.

1 G. By January 1 of the year after the Division receives the
2 dental loss ratio information collected pursuant to subsection D of
3 this section, the Division shall make the information, including the
4 aggregate dental loss ratio and the data reported pursuant to
5 paragraphs 2 and 3 of subsection D of this section, available to the
6 public in a searchable format on a public website that allows
7 members of the public to compare dental loss ratios among carriers
8 by plan type by posting the information on the Division's website.

9 The Division shall report the data in subsection D of this
10 section, and if available, subsection H of this section, to the
11 Oklahoma Legislature.

12 H. Once the Division has collected the data pursuant to
13 subsection D of this section for two (2) calendar years, the
14 Commissioner shall promulgate rules that create a process to
15 identify any carriers that significantly deviate from average dental
16 loss ratios and to investigate the causes of the deviation. Such
17 process shall include:

18 1. Calculating an average dental loss ratio for each market
19 segment using aggregate data for a three-year period, consisting of
20 data for the dental loss ratio reporting year that is being reported
21 and the data for the two (2) prior dental loss ratio reporting
22 years;

23 2. Identifying as outliers the dental coverage plans that fall
24 outside of a set number of standard deviations from the average

1 dental loss ratio, as determined by rule of the Commissioner based
2 on review of the data and consideration of the impact of nonprofit
3 community benefit expenditures on any outlier calculation.

4 The Commissioner may apply more restrictive standard deviation
5 metrics over time to prevent declines in the average dental loss
6 ratio in a market segment and may establish by rule additional
7 criteria for use in identifying outliers.

8 I. 1. The Commissioner may enforce compliance with the
9 reporting requirements in this section and impose a penalty against
10 a person who violates this section.

11 2. The Commissioner may investigate or take enforcement actions
12 against carriers that are determined to be outliers pursuant to
13 subsection H of this section and rules adopted pursuant to
14 subsection H of this section and impose a penalty against a person
15 who violates this section.

16 J. The Commissioner may promulgate rules to implement this
17 section.

18 SECTION 3. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 6170.3 of Title 36, unless there
20 is created a duplication in numbering, reads as follows:

21 The Oklahoma Insurance Commissioner shall adopt rules that
22 require each carrier that provides a dental coverage plan, as
23 defined in Section 1 of this act, to issue to covered persons to
24 whom a dental coverage plan identification card is issued a

1 standardized written or virtual card containing plan information.

2 The Commissioner shall adopt rules by March 31, 2025, that describe
3 the format of the standardized card to be issued by carriers. The
4 rules establishing the format for the card shall include a standard
5 size, must require the card to be legible and photocopied, and shall
6 delineate the information to be contained on the card, including the
7 following as applicable:

8 1. The covered person's name and the applicable plan number;

9 2. Contact information for the carrier or dental coverage plan
10 administrator; and

11 3. An indication of whether the dental coverage plan is
12 regulated by the State of Oklahoma.

13 SECTION 4. This act shall become effective November 1, 2024.

14 Passed the House of Representatives the 12th day of March, 2024.

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16 _____
17 Presiding Officer of the House
18 of Representatives

19 Passed the Senate the ____ day of _____, 2024.

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22 Presiding Officer of the Senate
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