

**BILL SUMMARY**  
1<sup>st</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB1694</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. McEntire</b>
<b>Date:</b>	<b>2/28/2023</b>
<b>Impact:</b>	<b>See analysis below</b>

**Research Analysis**

The committee substitute for HB 1694 requires dental benefit plans to file an annual medical loss ratio (MLR) report by market and product type with the Oklahoma Insurance Department. MLR will be calculated as the amount spent on care divided by insurer revenue. State-sponsored health programs are exempt from this requirement.

Dental benefit plans are also required to provide an annual rebate to enrollees by August 1st of the following year if the ratio of the amount of premium revenue expended on the costs for reimbursement to the amount of premium revenue is less than 80 percent.

Additionally, the measure requires carriers offering dental benefit plans to file group product base rates and any changes to group rating factors that are to be effective on January 1st of each year, on or before July 1st of the preceding year. The Insurance Department is authorized to disapprove unreasonable or discriminatory proposed changes if the carrier's rate falls under certain classifications listed in the measure. If the Insurance Department disapproves a rate, the carrier may request a hearing, and the Insurance Department will issue a decision within 30 days after the conclusion of the hearing. The Attorney General may intervene in a hearing or other relevant proceeding.

Prepared By: Matthew Brenchley

**Fiscal Analysis**

From the Oklahoma Insurance Department: This will require us to start reviewing all dental rates filed with the department as well as receiving and reviewing an annual loss ratio report which may require companies to rebate premium to customers if loss ratios are too low. With that said, our legal department would need ¼ FTE to meet the hearing requirements. Basing off Attorney's II target salary, fiscal impact would be \$30,615 (1/4 salary \$19,500 + 57% benefits \$11,115). In addition, we may likely need ½ FTE in our financial department and we may need to hire outside actuaries to review filings.

Prepared By: Stacy Johnson, House Fiscal Staff

**Other Considerations**

None.

