

**Bill Summary**  
2<sup>nd</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 1832</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.</b>	<b>2491</b>
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**Bill Analysis**

SB 1832 provides that the medical loss ratio of a dental benefit plan or the dental coverage portion of a health benefit plan shall be determined by dividing the numerator by the denominator. The numerator is defined as the amount spent on care, but shall not include administrative costs, payments to third-party vendors, and amounts paid to a provider for professional or administrative services that do not represent compensation or reimbursement for covered services to an enrollee. The denominator is defined as the total amount of the earned premium revenues, excluding federal and state taxes and licensing and regulatory fees paid. The measure requires each dental benefit plan as well as health benefit plans that offer dental coverage to file its medical loss ratio (MLR) with the Insurance Department. Each report shall be filed no later than July 31 of each year.

If the Department requires data verification of the MLR report, the Department shall notify the plan 30 days before the commencement of any financial examination. The plan shall have 30 days to submit all requested data, though extensions may be granted by the Department. If the MLR is less than, at minimum, 80% for group health plans of a large employer or 75% for plans offered in the individual market or group health plans of small employers, then the plan shall issue a pro rata rebate to enrollees. Dental benefit plans and the dental coverage portion of health benefit plans must implement this provision no later than January 1, 2028. Each rebate owed shall be issued no later than August 1 of each year. The measure provides that if a plan files for a rate change and the administrative expenses increase by more than the most recent calendar year's percentage increase in the dental services Consumer Price Index for All Urban Consumers, the change shall be considered presumptively disapproved. Rate increases shall be submitted to the Commissioner 60 days prior to the change.

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