

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3381

By: McEntire

AS INTRODUCED

An Act relating to dental insurance; providing definitions; specifying calculations for dental loss ratio; directing the Insurance Commissioner to promulgate rules; regulating rules; mandating reports 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.

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 6170.1 of Title 36, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Community benefit expenditure" means an expenditure for an activity or program, or to an organization, which seeks to achieve the objectives of improving access to dental services and enhancing dental public health. This includes an activity that:

- 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

2. The denominator is the total amount of premium revenue, excluding federal and state taxes, licensing and regulatory fees

1 paid, nonprofit community benefit expenditures, and any other  
2 payments required by federal law.

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

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

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

18 D. On or before July 31, 2025, and on or before July 31 each  
19 year thereafter, a carrier that issues, sells, renews, or offers a  
20 dental coverage plan shall file a dental loss ratio form  
21 electronically with the Employees Group Insurance Division of the  
22 Office of Management and Enterprise Services for the preceding  
23 calendar year in which dental coverage was provided by the dental  
24 coverage plan. The Commissioner may create a new reporting form or  
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1 use an existing reporting form to facilitate data collection. The  
2 Commissioner shall ensure that fields are reported consistently by  
3 carriers. The filing must:

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

6 2. Separately report each data element;

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

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

13 5. Be in a form and manner as prescribed by rule of the  
14 Commissioner.

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

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

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

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

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

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

21 2. Identifying as outliers the dental coverage plans that fall  
22 outside of a set number of standard deviations from the average  
23 dental loss ratio, as determined by rule of the Commissioner based  
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1 on review of the data and consideration of the impact of nonprofit  
2 community benefit expenditures on any outlier calculation.

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

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

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

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

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

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

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

- 7 1. The covered person's name and the applicable plan number;
- 8 2. Contact information for the carrier or dental coverage plan  
9 administrator; and
- 10 3. An indication of whether the dental coverage plan is  
11 regulated by the State of Oklahoma.

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

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