

1 ENGROSSED HOUSE
2 BILL NO. 2805

By: Marti, Banning, Stinson,
and Turner of the House

3 and

4 Thompson of the Senate
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6
7 An Act relating to dental benefit plans; creating the
8 Oklahoma Medical Loss Ratios for Dental (DLR) Health
9 Care Services Plans Act; defining terms; establishing
10 formula for medical loss ratio; requiring annual
11 reporting to the Oklahoma Insurance Department;
12 establishing process for certain data verification;
13 providing for rebate calculation; directing rule
14 promulgation; establishing provisions for rate
15 determination by Commissioner; requiring certain rate
16 increase notice; providing for codification; and
17 providing an effective date.

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

21 SECTION 1. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 7140 of Title 36, unless there
23 is created a duplication in numbering, reads as follows:

24 This act shall be known and may be cited as the "Oklahoma
Medical Loss Ratios for Dental (DLR) Health Care Services Plans
Act".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 7141 of Title 36, unless there
is created a duplication in numbering, reads as follows:

1 A. As used in this act:

2 1. "Commissioner" means the Insurance Commissioner of this
3 state;

4 2. "Dental carrier" or "carrier" means a dental insurance
5 company, dental service corporation, dental plan organization
6 authorized to provide dental benefits, or a health benefits plan
7 that includes coverage for dental services;

8 3. "Dental health care service plan" or "plan" means any plan
9 that provides coverage for dental health care services to enrollees
10 in exchange for premiums, and does not include plans under Medicaid,
11 the Children's Health Insurance Program (CHIP), or employer-
12 sponsored self-funded plans covered by the federal Employee
13 Retirement Income Security Act (ERISA); and

14 4. "Dental loss ratio" or "DLR" means percentage of premium
15 dollars spent on patient care as calculated pursuant to subsection B
16 in this section.

17 B. The dental loss ratio is calculated by dividing the
18 numerator by the denominator, where:

19 1. The numerator is the sum of the amount incurred for clinical
20 dental services provided to enrollees, the amount incurred on
21 activities that improve dental care quality, and other incurred
22 claims as defined at 45 C.F.R., Section 158.140(a); and

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

1 paid, nonprofit community expenditures as defined at 45 C.F.R.,
2 Section 158.162(c), and any other payments required by federal law.

3 C. The Commissioner shall define by order, rule, or bulletin:

4 1. Expenditures for clinical dental services;

5 2. Activities that improve dental care quality, activities
6 conducted by an issuer intended to improve dental care quality shall
7 not exceed five percent (5%) of net premium revenue; and

8 3. Overhead and administrative cost expenditures.

9 D. Overhead and administrative costs shall not be included in
10 the numerator.

11 SECTION 3. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 7142 of Title 36, unless there
13 is created a duplication in numbering, reads as follows:

14 A. A carrier that issues, sells, renews, or offers a dental
15 health care service plan contract shall electronically file in the
16 manner and format prescribed by the Commissioner a Dental Loss Ratio
17 (DLR) annual report with the Commissioner, along with any
18 transaction or other filing fees. The Commissioner may create the
19 reporting form or use the federal Medical Loss Ratio (MLR) Annual
20 Reporting Form (CMS-10418) in use for that reporting period. The
21 DLR annual report shall report the DLR calculated in accordance with
22 this act, be organized by market and product type, and include any
23 additional data the Commissioner deems necessary, which shall
24 include but is not limited to, the number of enrollees, the plan

1 cost-sharing and deductible amounts, the annual maximum coverage
2 limit, and the number of enrollees who meet or exceed the annual
3 coverage limit.

4 B. The DLR annual report shall be filed with the Commissioner
5 no later than May 1, 2026, and annually thereafter no later than May
6 1 of each year. The DLR reporting year shall be for the preceding
7 calendar year during which dental coverage is provided by the plan.
8 All terms used in the DLR annual report shall have the same meaning
9 as used in the federal Public Health Service Act (42 U.S.C., Section
10 300gg-18), Part 158 (commencing with 158.101) of Title 45 of the
11 Code of Federal Regulations, and 42 U.S.C., Section 1367.003.

12 C. Every carrier, upon receipt of any inquiry from the
13 Commissioner, shall, within twenty (20) days from receipt of the
14 inquiry, furnish the Commissioner with an adequate response,
15 including but not limited to any requested documents or information.

16 D. By January 1 of the year after the Commissioner receives the
17 dental loss ratio information collected pursuant to subsection A of
18 this section, the Commissioner shall make the information, including
19 the aggregate dental loss ratio and other data reported pursuant to
20 this section, available to the public in a searchable format on the
21 Oklahoma Insurance Department's website that allows members of the
22 public to compare dental loss ratios among carriers by plan type.

23 E. The Commissioner shall report the data in this section to
24 the Legislature.

1 SECTION 4. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 7143 of Title 36, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The Commissioner shall aggregate dental loss ratios for each
5 carrier by year pursuant to Section 3 of this act for each market
6 segment in which the carrier operates. The Commissioner shall
7 calculate an average dental loss ratio (DLR) for each market segment
8 using aggregate data for a three-year period including data for the
9 most recent dental loss ratio reporting year and the data for the
10 two (2) prior dental loss ratio reporting years.

11 Newer experience shall be subject to reporting standards defined
12 in 45 C.F.R., Section 158.121.

13 B. The Commissioner shall calculate an average dental loss
14 ratio for each market segment using the data pursuant to subsection
15 A of this section, identify as outliers dental plans that fall
16 outside one standard deviation of the average dental loss ratio, and
17 report those plans to the Legislature consistent with the manner set
18 forth in subsections D and E of Section 3 of this act.

19 A carrier shall not be considered an outlier if its DLR in a
20 market segment is within three (3) percentage points of the average
21 dental loss ratio. A higher threshold may be set in unique
22 circumstances as determined reasonable by the Commissioner.

23 C. The Commissioner shall investigate those carriers that
24 report a DLR lower than one standard deviation from the mathematical

1 average, and may take remediation or enforcement actions against
2 them, including ordering such carriers to rebate, in a manner
3 consistent with 45 C.F.R., Part 158(B) of the Affordable Care Act
4 all premiums paid above such amounts that would have caused said
5 carrier to have achieved the mathematical average of the data
6 submitted in a given year for a given market segment.

7 D. The report in subsection B of this section shall be
8 organized to show year-over-year changes in a carrier's outlier
9 status relative to meeting the one (1) standard deviation outlier
10 standard at subsection B of this section. If the DLR for a carrier
11 in a market segment does not increase and remains an outlier as
12 defined in subsection B of this section after two (2) consecutive
13 years, barring unique circumstances as determined reasonable by the
14 Commissioner, the carrier shall be subject to a minimum DLR
15 percentage by market segment. The Commissioner shall promulgate
16 rules establishing the DLR percentage based on, at minimum, the
17 average of existing carrier loss ratios by market segment in the
18 state to be effective no sooner than forty-two (42) months after a
19 carrier is determined to be an outlier as defined in this section.

20 E. A carrier subject to remediation in subsections C and D of
21 this section shall provide any rebate owing to a policyholder no
22 later than August 1 of the fiscal year following the year for which
23 the ratio described in subsection A of this section was calculated.

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1 The Commissioner may establish alternatives to direct rebates to
2 include premium reductions in the following benefit year.

3 F. The Commissioner may promulgate rules that create a process
4 to identify carriers that increase rates in excess of the percentage
5 increase of the latest dental services Consumer Price Index as
6 reported through the United States Bureau of Labor Statistics.

7 G. The Commissioner shall adopt rules as necessary to
8 effectuate the provisions of this act.

9 SECTION 5. This act shall become effective November 1, 2025.

10 Passed the House of Representatives the 26th day of March, 2025.

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Presiding Officer of the House
of Representatives

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15 Passed the Senate the _____ day of _____, 2025.

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Presiding Officer of the Senate

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