

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 2805

6 By: Marti

7 COMMITTEE SUBSTITUTE

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

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

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

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

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

4 A. As used in this act:

5 1. "Commissioner" means the Insurance Commissioner of this
6 state;

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

11 3. "Dental health care service plan" or "plan" means any plan
12 that provides coverage for dental health care services to enrollees
13 in exchange for premiums, and does not include plans under Medicaid
14 or Children's Health Insurance Program (CHIP); and

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

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

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

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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 expenditures as defined at 45 C.F.R.,
4 Section 158.162(c), and any other payments required by federal law.

5 C. The Commissioner shall define by rule:

6 1. Expenditures for clinical dental services;

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

10 3. Overhead and administrative cost expenditures.

11 D. The definitions promulgated by rule pursuant to this section
12 shall be consistent with similar definitions that are used for the
13 reporting of medical loss ratios by carriers offering health benefit
14 plans in this state. Overhead and administrative costs shall not be
15 included in the numerator.

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

19 A. A carrier that issues, sells, renews, or offers a
20 specialized dental health care service plan contract shall file a
21 Dental Loss Ratio (DLR) annual report with the Commissioner that is
22 organized by market and product type and contains the same
23 information required in the 2013 federal Medical Loss Ratio (MLR)
24 Annual Reporting Form (CMS-10418). The filing shall also report

1 additional data that includes the number of enrollees, the plan
2 cost-sharing and deductible amounts, the annual maximum coverage
3 limit, and the number of enrollees who meet or exceed the annual
4 coverage limit.

5 B. The DLR reporting year shall be for the fiscal year during
6 which dental coverage is provided by the plan. All terms used in
7 the DLR annual report shall have the same meaning as used in the
8 federal Public Health Service Act (42 U.S.C., Section 300gg-18),
9 Part 158 (commencing with 158.101) of Title 45 of the Code of
10 Federal Regulations, and 42 U.S.C., Section 1367.003.

11 C. If data verification of the carrier's representations in the
12 DLR annual report is deemed necessary, the Commissioner shall
13 provide the carrier with a notification thirty (30) days to submit
14 any information required by the Commissioner.

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

- 22 1. Posting the information on the division's website; or
- 23 2. Providing the information to the administrator of an all-
24 payer health claims database. If the Commissioner provides the

1 information to the administrator, the administrator shall make the
2 information available to the public in a format determined by the
3 Commissioner.

4 E. The Commissioner shall report the data in this section to
5 the Legislature.

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

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

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

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

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

5 C. The Commissioner shall investigate those carriers that
6 report a DLR lower than one standard deviation from the mathematical
7 average, and may take remediation or enforcement actions against
8 them, including ordering such carriers to rebate, in a manner
9 consistent with 45 C.F.R., Part 158(B) of the Affordable Care Act
10 all premiums paid above such amounts that would have caused said
11 carrier to have achieved the mathematical average of the data
12 submitted in a given year for a given market segment.

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

3 E. A carrier subject to remediation in subsections C and D of
4 this section shall provide any rebate owing to a policyholder no
5 later than March 1 of the fiscal year following the year for which
6 the ratio described in subsection A of this section was calculated.
7 The Commissioner may establish alternatives to direct rebates to
8 include premium reductions in the following benefit year.

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

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

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

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