

BILL SUMMARY

1st Session of the 60th Legislature

Bill No.:	HB2805
Version:	POLPCS1
Request Number:	12285
Author:	Rep. Marti
Date:	2/20/2025
Impact:	\$0

Research Analysis

The proposed policy committee substitute for HB 2805 adds that the calculation of the numerator will not administrative costs including marketing and amounts paid to third-party vendors for marketing. The polpcs also changes the effective date.

HB 2805 provides that the medical loss ratio for a dental plan or the dental coverage portion of a health benefit plan will be determined by dividing the numerator by the denominator, using the information detailed in the measure. The numerator will be the amount spent on care and the denominator will include the total amount of the earned premium revenues. A dental benefit plan or the dental portion of a health benefit plan must file a medical loss ratio (MLR) with the Oklahoma Insurance Department. The MLR reporting year must be for the calendar year during which dental coverage is provided. If data verification is deemed necessary then the Insurance Department must provide the health benefit plan with a notification 30 days before the commencement of the financial examination. The plan must have 30 days from the date of notification to submit all requested data. The Insurance Department must make all data available on a public website. The provisions of this act will not apply to Medicaid. The measure provides that a dental benefit plan or the dental portion of a health benefit plan must provide an annual rebate to each enrollee covered, on a pro rata basis, the details of which are outlined in the measure. The measure requires all carrier offered dental benefit plans to file group product base rates and any changes to group rating factors. These plans must also not establish rates for any dental coverage plan that are excessive, inadequate, or unfairly discriminatory. The Insurance Commission must promulgate related rules. Additionally, the measure provides procedures for if the carrier's rate is presumptively disapproved. The measure requires an annual report from each dental insurer on the dental loss ratio.

Prepared By: Suzie Nahach

Fiscal Analysis

HB 2805 requires dental benefit plans or health benefit plans that offer dental services to file their medical loss ratio (MLR) with the Oklahoma Insurance Department (OID). OID is to publish the data provided on a website available for public viewing. The measure directs OID to promulgate rules to ensure rates are not excessive in relation to benefits. OID is a non-appropriated state agency; therefore, any related costs to oversee are assumed to be objective within the Department's existing resources.

Officials from the Oklahoma Health Care Authority do not anticipate HB 2805 impacting the HealthChoice plan, as the dental plan is self-funded. Additionally, the loss ratio on the dental plan is well above the minimum levels provided by the bill.

Therefore, in its current form, HB 2805 is not anticipated to have a direct fiscal impact on the state budget or appropriations.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.

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