

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE  
FOR  
4 HOUSE BILL NO. 2805

By: Marti

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7 COMMITTEE SUBSTITUTE

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

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

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

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

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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

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.

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

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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