

2024 -- S 2873 SUBSTITUTE A

LC005635/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO INSURANCE -- DENTAL INSURANCE LOSS RATIO REPORTING AND STUDY ACT

Introduced By: Senator Matthew L. LaMountain

Date Introduced: March 22, 2024

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 82

4 DENTAL INSURANCE LOSS RATIO REPORTING AND STUDY ACT

5 **27-82-1. Short title.**

6 This chapter shall be known and may be cited as the "Dental Insurance Loss Ratio
7 Reporting and Study Act."

8 **27-82-2. Definitions.**

9 As used in this chapter, the following terms shall mean:

10 (1) "Commissioner" or "health insurance commissioner" shall have the meaning set forth
11 in § 27-18-1.1.

12 (2) "Dental health insurance carrier" means a health insurance carrier, as defined in § 27-
13 18-1.1, to the extent that it provides insured dental services benefits coverage, including any entity
14 providing individual or group coverage for dental or oral surgery services or procedures:

15 (i) Through an individual or group policy of health, accident and sickness insurance under
16 this title;

17 (ii) As a nonprofit hospital service corporation organized under chapter 19 of this title;

18 (iii) As a nonprofit medical service corporation organized under chapter 20 of this title;

1 (iv) As a nonprofit dental service corporation organized under chapter 20.1 of this title;
2 and/or

3 (v) As a health maintenance organization organized under chapter 41 of this title.

4 (3) "Dental loss ratio" (DLR) means the percentage of dental premium dollars spent on
5 patient care, calculated as follows:

6 (i) The numerator in the DLR is the incurred claims as defined in this section; and

7 (ii) The denominator in the DLR is the earned premiums as defined in this section.

8 (4) "Earned premiums" means, for any reporting year, the premium received up to the loss
9 measurement ratio date for coverage provided during the reporting year minus federal and state
10 taxes and assessments, and pass through payments made by the dental health insurance carrier as a
11 billing convenience for commissions or fees charged by a broker or consultant retained by the group
12 or individual receiving coverage, and for which the group or individual, as opposed to the dental
13 health insurance carrier, is responsible for payment.

14 (5) "Health insurance carrier" shall have the same meaning set forth in § 27-18-1.1.

15 (6) "Incurred claims" means, for a reporting year, the claims for which services were
16 provided in the reporting year, including an estimate of unpaid claim reserves and incurred value
17 based care incentive pool and bonuses, the costs related to improving health care quality and access,
18 fraud reduction, charitable contributions made to nonprofit entities to improve access to dental care
19 to the disadvantaged and underserved populations; to encourage and support workforce
20 development as it relates to all components of dental care delivery including dentists, hygienists
21 and assistants, and costs incurred for dental care management, including utilization review.

22 (7) "Reporting year" means a calendar year during which group or individual dental
23 coverage is provided by a policy, contract, or certificate covering dental services.

24 **27-82-3. Reporting.**

25 Notwithstanding any provision of the general laws to the contrary, dental health insurance
26 carriers shall, on or before March 1, 2025 for reporting years 2023 and 2024, and on or before
27 March 1, 2026 for reporting year 2025, (the "transition period"), file with the commissioner, in a
28 format prescribed by the commissioner, an actuarial memorandum disclosing its incurred claims
29 and earned premiums for the preceding calendar reporting year, together with such additional
30 information as may be provided for in regulations promulgated by the commission in accordance
31 with this chapter.

32 **27-82-4. Exemptions.**

33 The reporting required by this chapter shall not apply to dental insurance plans issued,
34 delivered or renewed to a self-insured group or where the carrier is acting as a third-party

1 administrator.

2 **27-82-5. Regulations.**

3 The commissioner shall, by January 1, 2025, promulgate rules and regulations as are
4 necessary to carry out and effectuate the provisions of this chapter.

5 **27-82-6. Study report.**

6 (a) On or before October 1, 2026, the commissioner shall provide the general assembly
7 with an analysis of the reporting information furnished pursuant to § 27-82-4, and
8 recommendations with respect to a minimum dental loss ratio. The report shall also include
9 recommendations with respect to requiring dental health carriers to offer a full range of
10 comprehensive dental benefit plans, including but not limited to one hundred percent (100%)
11 coverage options.

12 (b) The commissioner shall make a special annual assessment against each dental health
13 insurance carrier during years 2023, 2024, and 2025 for payment of all reasonable costs and
14 expenditures in connection with the study report and related analysis required by this section, no
15 greater than the combined maximum total of one hundred fifty thousand dollars (\$150,000) per
16 year for all carriers. Each annual assessment shall, subject to the foregoing maximum, be deemed
17 as reasonably sufficient reimbursement for any costs and expenditures necessary for the
18 commissioner to fulfill the commissioner's obligations under this section. The sums shall be
19 proportionately assessed by the commissioner against each dental health insurance carrier based on
20 relative annual fully insured membership enrollment, and may be billed whether or not the study
21 report has been completed. The carriers billed for such costs and expenditures shall make payment
22 to the commissioner within sixty (60) days of the date invoiced. Assessments made pursuant to this
23 section may be credited to the normal operating costs of each dental health insurance carrier, and
24 shall be deposited as general revenue.

25 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO INSURANCE -- DENTAL INSURANCE LOSS RATIO REPORTING AND
STUDY ACT

1 This act would require, for the reporting years 2023, 2024 and 2025, dental health insurance
2 carriers to file with the health insurance commissioner an actuarial memorandum disclosing its
3 incurred claims and earned premiums, in order to assist the health insurance commissioner with
4 respect to the issuance of a study report and recommendations regarding a dental insurance loss
5 ratio. This act would also allow the health insurance commission to assess dental health insurance
6 carriers an annual maximum combined amount of one hundred fifty thousand dollars (\$150,000)
7 to defray the costs of the study report.

8 This act would take effect upon passage.

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