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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES--
MEDICAL LOSS RATIO REPORTING

Introduced By: Representatives Naughton, Tanzi, Handy, Ajello, and Canario

Date Introduced: February 26, 2015

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 27-18 of the General Laws entitled "Accident and Sickness
2 Insurance Policies" is hereby amended by adding thereto the following section:

3 **27-18-82. Medical loss ratio reporting.** – (a) A health care service plan that issues, sells,
4 renews, or offers a specialized health care service plan contract covering dental services shall, no
5 later than September 30, 2016, and each year thereafter, file a report, which shall be known as the
6 medical loss ratio (MLR) annual report, with the department of health that is organized by market
7 and product type and contains the same information required in the 2013 federal Medical Loss
8 Ratio (MLR) Annual Reporting Form (CMS-10418).

9 (b) The MLR reporting year shall be for the calendar year during which dental coverage
10 is provided by the plan. All terms used in the MLR annual report shall have the same meaning as
11 used in the federal Public Health Service Act 42 U.S.C. §. 300gg-18, and 45 C.F.R. 158.101 et
12 seq.

13 (c) If the health insurance commissioner decides to conduct a financial examination
14 because the director finds it necessary to verify the health care service plan's representations in
15 the MLR annual report, office of the health insurance commissioner (OHIC) shall provide the
16 health care service plan with a notification thirty (30) days before the commencement of the
17 financial examination.

18 (d) The health care service plan shall have thirty (30) days from the date of notification to

1 electronically submit to the OHIC all requested records, books, and papers specified in § 27-1-11.
2 The health insurance commissioner may extend the time for a health care service plan to comply
3 with this subsection upon a finding of good cause.

4 (e) The OHIC shall make available to the public all of the data provided to the OHIC
5 pursuant to this section.

6 (f) This section shall not apply to a health care service plan contract issued, sold,
7 renewed, or offered for health care services or coverage provided by RIteCare or Rhode Island's
8 Medicaid program, to the extent consistent with the federal Patient Protection and Affordable
9 Care Act (Pub. L. 111-148).

10 (g) It is the intent of the general assembly that the data reported pursuant to this section
11 be considered by the general assembly in adopting a medical loss ratio standard for health care
12 service plans that cover dental services that would take effect no later than January 1, 2019.

13 (h) Until January 1, 2019, the health insurance commissioner may issue guidance to
14 health care service plans subject to this section regarding compliance with this section. Any
15 guidance issued pursuant to this subsection shall be effective only until the health insurance
16 commissioner adopts regulations pursuant to the administrative procedure act chapter 35 of title
17 42. The OHIC shall consult with the division of insurance regulation in issuing guidance pursuant
18 to this subsection.

19 SECTION 2. Chapter 27-19 of the General Laws entitled "Nonprofit Hospital Service
20 Corporations" is hereby amended by adding thereto the following section:

21 **27-19-73. Medical loss ratio reporting.** – (a) A health care service plan that issues, sells,
22 renews, or offers a specialized health care service plan contract covering dental services shall, no
23 later than September 30, 2016, and each year thereafter, file a report, which shall be known as the
24 medical loss ratio (MLR) annual report, with the department of health that is organized by market
25 and product type and contains the same information required in the 2013 federal Medical Loss
26 Ratio (MLR) Annual Reporting Form (CMS-10418).

27 (b) The MLR reporting year shall be for the calendar year during which dental coverage
28 is provided by the plan. All terms used in the MLR annual report shall have the same meaning as
29 used in the federal Public Health Service Act 42 U.S.C. §. 300gg-18, and 45 C.F.R. 158.101 et
30 seq.

31 (c) If the health insurance commissioner decides to conduct a financial examination
32 because the director finds it necessary to verify the health care service plan's representations in
33 the MLR annual report, office of the health insurance commissioner (OHIC) shall provide the
34 health care service plan with a notification thirty (30) days before the commencement of the

1 financial examination.

2 (d) The health care service plan shall have thirty (30) days from the date of notification to
3 electronically submit to the OHIC all requested records, books, and papers specified in § 27-1-11.
4 The health insurance commissioner may extend the time for a health care service plan to comply
5 with this subsection upon a finding of good cause.

6 (e) The OHIC shall make available to the public all of the data provided to the OHIC
7 pursuant to this section.

8 (f) This section shall not apply to a health care service plan contract issued, sold,
9 renewed, or offered for health care services or coverage provided by RIteCare or Rhode Island's
10 Medicaid program, to the extent consistent with the federal Patient Protection and Affordable
11 Care Act (Pub. L. 111-148).

12 (g) It is the intent of the general assembly that the data reported pursuant to this section
13 be considered by the general assembly in adopting a medical loss ratio standard for health care
14 service plans that cover dental services that would take effect no later than January 1, 2019.

15 (h) Until January 1, 2019, the health insurance commissioner may issue guidance to
16 health care service plans subject to this section regarding compliance with this section. Any
17 guidance issued pursuant to this subsection shall be effective only until the health insurance
18 commissioner adopts regulations pursuant to the administrative procedure act chapter 35 of title
19 42. The OHIC shall consult with the division of insurance regulation in issuing guidance pursuant
20 to this subsection.

21 SECTION 3. Chapter 27-20 of the General Laws entitled "Nonprofit Medical Service
22 Corporations" is hereby amended by adding thereto the following section:

23 **27-20-69. Medical loss ratio reporting.** – (a) A health care service plan that issues, sells,
24 renews, or offers a specialized health care service plan contract covering dental services shall, no
25 later than September 30, 2016, and each year thereafter, file a report, which shall be known as the
26 medical loss ratio (MLR) annual report, with the department of health that is organized by market
27 and product type and contains the same information required in the 2013 federal Medical Loss
28 Ratio (MLR) Annual Reporting Form (CMS-10418).

29 (b) The MLR reporting year shall be for the calendar year during which dental coverage
30 is provided by the plan. All terms used in the MLR annual report shall have the same meaning as
31 used in the federal Public Health Service Act 42 U.S.C. §. 300gg-18, and 45 C.F.R. 158.101 et
32 seq.

33 (c) If the health insurance commissioner decides to conduct a financial examination
34 because the director finds it necessary to verify the health care service plan's representations in

1 the MLR annual report, office of the health insurance commissioner (OHIC) shall provide the
2 health care service plan with a notification thirty (30) days before the commencement of the
3 financial examination.

4 (d) The health care service plan shall have thirty (30) days from the date of notification to
5 electronically submit to the OHIC all requested records, books, and papers specified in § 27-1-11.
6 The health insurance commissioner may extend the time for a health care service plan to comply
7 with this subsection upon a finding of good cause.

8 (e) The OHIC shall make available to the public all of the data provided to the OHIC
9 pursuant to this section.

10 (f) This section shall not apply to a health care service plan contract issued, sold,
11 renewed, or offered for health care services or coverage provided by RIteCare or Rhode Island's
12 Medicaid program, to the extent consistent with the federal Patient Protection and Affordable
13 Care Act (Pub. L. 111-148).

14 (g) It is the intent of the general assembly that the data reported pursuant to this section
15 be considered by the general assembly in adopting a medical loss ratio standard for health care
16 service plans that cover dental services that would take effect no later than January 1, 2019.

17 (h) Until January 1, 2019, the health insurance commissioner may issue guidance to
18 health care service plans subject to this section regarding compliance with this section. Any
19 guidance issued pursuant to this subsection shall be effective only until the health insurance
20 commissioner adopts regulations pursuant to the administrative procedure act chapter 35 of title
21 42. The OHIC shall consult with the division of insurance regulation in issuing guidance pursuant
22 to this subsection.

23 SECTION 4. Chapter 27-20.1 of the General Laws entitled "Nonprofit Dental Service
24 Corporations" is hereby amended by adding thereto the following section:

25 **27-20.1-23. Medical loss ratio reporting.** -- (a) A health care service plan that issues,
26 sells, renews, or offers a specialized health care service plan contract covering dental services
27 shall, no later than September 30, 2016, and each year thereafter, file a report, which shall be
28 known as the medical loss ratio (MLR) annual report, with the department of health that is
29 organized by market and product type and contains the same information required in the 2013
30 federal Medical Loss Ratio (MLR) Annual Reporting Form (CMS-10418).

31 (b) The MLR reporting year shall be for the calendar year during which dental coverage
32 is provided by the plan. All terms used in the MLR annual report shall have the same meaning as
33 used in the federal Public Health Service Act 42 U.S.C. §. 300gg-18, and 45 C.F.R. 158.101 et
34 seq.

1 (c) If the health insurance commissioner decides to conduct a financial examination
2 because the director finds it necessary to verify the health care service plan's representations in
3 the MLR annual report, office of the health insurance commissioner (OHIC) shall provide the
4 health care service plan with a notification thirty (30) days before the commencement of the
5 financial examination.

6 (d) The health care service plan shall have thirty (30) days from the date of notification to
7 electronically submit to the OHIC all requested records, books, and papers specified in § 27-1-11.
8 The health insurance commissioner may extend the time for a health care service plan to comply
9 with this subsection upon a finding of good cause.

10 (e) The OHIC shall make available to the public all of the data provided to the OHIC
11 pursuant to this section.

12 (f) This section shall not apply to a health care service plan contract issued, sold,
13 renewed, or offered for health care services or coverage provided by RIteCare or Rhode Island's
14 Medicaid program, to the extent consistent with the federal Patient Protection and Affordable
15 Care Act (Pub. L. 111-148).

16 (g) It is the intent of the general assembly that the data reported pursuant to this section
17 be considered by the general assembly in adopting a medical loss ratio standard for health care
18 service plans that cover dental services that would take effect no later than January 1, 2019.

19 (h) Until January 1, 2019, the health insurance commissioner may issue guidance to
20 health care service plans subject to this section regarding compliance with this section. Any
21 guidance issued pursuant to this subsection shall be effective only until the health insurance
22 commissioner adopts regulations pursuant to the administrative procedure act chapter 35 of title
23 42. The OHIC shall consult with the division of insurance regulation in issuing guidance pursuant
24 to this subsection.

25 SECTION 5. Chapter 27-41 of the General Laws entitled "Health Maintenance
26 Organizations" is hereby amended by adding thereto the following section:

27 **27-41-86. Medical loss ratio reporting. --** (a) A health care service plan that issues,
28 sells, renews, or offers a specialized health care service plan contract covering dental services
29 shall, no later than September 30, 2016, and each year thereafter, file a report, which shall be
30 known as the medical loss ratio (MLR) annual report, with the department of health that is
31 organized by market and product type and contains the same information required in the 2013
32 federal Medical Loss Ratio (MLR) Annual Reporting Form (CMS-10418).

33 (b) The MLR reporting year shall be for the calendar year during which dental coverage
34 is provided by the plan. All terms used in the MLR annual report shall have the same meaning as

1 used in the federal Public Health Service Act 42 U.S.C. §. 300gg-18, and 45 C.F.R. 158.101 et
2 seq.

3 (c) If the health insurance commissioner decides to conduct a financial examination
4 because the director finds it necessary to verify the health care service plan's representations in
5 the MLR annual report, office of the health insurance commissioner (OHIC) shall provide the
6 health care service plan with a notification thirty (30) days before the commencement of the
7 financial examination.

8 (d) The health care service plan shall have thirty (30) days from the date of notification to
9 electronically submit to the OHIC all requested records, books, and papers specified in § 27-1-11.
10 The health insurance commissioner may extend the time for a health care service plan to comply
11 with this subsection upon a finding of good cause.

12 (e) The OHIC shall make available to the public all of the data provided to the OHIC
13 pursuant to this section.

14 (f) This section shall not apply to a health care service plan contract issued, sold,
15 renewed, or offered for health care services or coverage provided by RIteCare or Rhode Island's
16 Medicaid program, to the extent consistent with the federal Patient Protection and Affordable
17 Care Act (Pub. L. 111-148).

18 (g) It is the intent of the general assembly that the data reported pursuant to this section
19 be considered by the general assembly in adopting a medical loss ratio standard for health care
20 service plans that cover dental services that would take effect no later than January 1, 2019.

21 (h) Until January 1, 2019, the health insurance commissioner may issue guidance to
22 health care service plans subject to this section regarding compliance with this section. Any
23 guidance issued pursuant to this subsection shall be effective only until the health insurance
24 commissioner adopts regulations pursuant to the administrative procedure act chapter 35 of title
25 42. The OHIC shall consult with the division of insurance regulation in issuing guidance pursuant
26 to this subsection.

27 SECTION 6. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES--
MEDICAL LOST RATIO REPORTING

1 This act would create a medical loss ratio reporting requirement for all insurance plans
2 offering dental coverage in order to create transparency for consumers, and to facilitate the future
3 establishment of medical loss ratio standards for dental plans.

4 This act would take effect upon passage.

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