

SENATE BILL NO. 680

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CARTER.

2724S.01I

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 354, RSMo, by adding thereto one new section relating to dental plans.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 354, RSMo, is amended by adding thereto
2 one new section, to be known as section 354.718, to read as
3 follows:

**354.718. 1. As used in this section, the following
2 terms mean:**

3 (1) "Dental loss ratio", the percentage of the amount
4 of premiums received by a dental plan expended on actual
5 patient care rather than overhead or administrative costs,
6 as determined by the following fraction:

7 (a) The numerator shall be the amount expended for
8 clinical dental services provided to dental plan enrollees,
9 including payments under capitation contracts with dental
10 providers, during the reporting year together with unpaid
11 claim reserves for dental services performed during the
12 reporting year but not yet paid. The numerator shall not
13 include:

14 a. Administrative costs including, but not limited to,
15 infrastructure costs, personnel costs, or broker payments;

16 b. Amounts paid to third-party vendors for secondary
17 network savings;

18 c. Amounts paid to third-party vendors for network
19 development, administrative fees, claims processing, and
20 utilization management;

21 d. Amounts paid to providers for professional or
22 administrative services that do not represent compensation
23 or reimbursement for covered services provided to an
24 enrollee including, but not limited to, dental record
25 copying costs, attorney's fees, subrogation vendor fees, and
26 compensation to paraprofessionals, janitors, quality
27 assurance analysts, administrative supervisors, secretaries
28 to dental personnel, and dental record clerks; or

29 e. Overpayments made by the dental plan that were
30 recovered by the dental plan and not previously reported on
31 any dental loss ratio report; and

32 (b) The denominator shall be all earned premiums
33 received by the dental plan for dental services, excluding
34 federal and state taxes; licensing fees; regulatory fees;
35 payments or receipts for risk adjustment, risk corridors,
36 and reinsurance; community benefit expenditures, as defined
37 in 45 CFR 158.162(c); and any other payments required by
38 federal law;

39 (2) "Dental plan", any health benefit plan, or portion
40 of a health benefit plan, that issues, sells, renews, or
41 offers a contract covering dental care services. The term
42 "dental plan" shall not include any health benefit plan for
43 health care services under MO HealthNet, the state
44 children's health insurance program authorized in sections
45 208.631 to 208.658, or any other state-sponsored health
46 insurance program.

47 2. (1) A dental plan shall file with the department
48 of commerce and insurance a dental loss ratio report for
49 each calendar year during which the dental plan provided

50 dental coverage containing the same information as required
51 in the 2013 federal dental loss ratio annual reporting form
52 (CMS-10418). All terms used in the dental loss ratio annual
53 report shall have the same meanings as used in the federal
54 Public Health Service Act, 42 U.S.C. Section 300gg-18, and
55 45 CFR Part 158.

56 (2) The dental loss ratio report shall be filed before
57 March first of each year for the previous calendar year. If
58 the department of commerce and insurance requires data
59 verification of the dental loss ratio report, it shall give
60 the dental plan thirty days' notice of the additional
61 information and data required to be submitted to the
62 department. The dental plan shall submit the information
63 requested within thirty days of such notice. The department
64 shall be deemed to have approved all dental loss ratio
65 reports within ninety days of the filing of the reports
66 unless a dental plan is notified otherwise.

67 (3) The department of commerce and insurance shall
68 make available to the public all the data provided to the
69 department in accordance with this section.

70 3. A dental plan shall provide an annual rebate to
71 each enrollee, on a pro rata basis, to the extent the dental
72 loss ratio is less than eighty-five percent, before August
73 first of the year following the year for which the dental
74 loss ratio report was issued. The total annual rebate is
75 the excess revenue expended by the dental plan on overhead
76 or administrative costs, as determined by the amount by
77 which the denominator of the dental loss ratio exceeds the
78 numerator.

79 4. Any failure to rebate the amount prescribed in
80 subsection 3 of this section by a dental plan not required

81 to be licensed by the department of commerce and insurance
82 shall be deemed an unlawful practice under section 407.020.

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