

SECOND REGULAR SESSION

HOUSE BILL NO. 2471

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FARNAN.

5941H.01I

JOSEPH ENGLER, Chief Clerk

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 one new section, to be
2 known as section 354.718, to read as follows:

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

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

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

10 **a. Administrative costs including, but not limited to, infrastructure costs,**
11 **personnel costs, or broker payments;**

12 **b. Amounts paid to third-party vendors for secondary network savings;**

13 **c. Amounts paid to third-party vendors for network development,**
14 **administrative fees, claims processing, and utilization management;**

15 **d. Amounts paid to providers for professional or administrative services that do**
16 **not represent compensation or reimbursement for covered services provided to an**
17 **enrollee including, but not limited to, dental record copying costs, attorney's fees,**
18 **subrogation vendor fees, and compensation to paraprofessionals, janitors, quality**

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 assurance analysts, administrative supervisors, secretaries to dental personnel, and
20 dental record clerks; or

21 e. Overpayments made by the provider that were recovered by the dental plan
22 and not previously reported on any dental loss ratio report; and

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

28 (2) "Dental plan", any health benefit plan, or portion of a health benefit plan,
29 that issues, sells, renews, or offers a contract covering dental care services. The term
30 "dental plan" shall not include any health benefit plan for health care services under
31 MO HealthNet, the state children's health insurance program authorized in sections
32 208.631 to 208.658, or any other state-sponsored health insurance program.

33 2. (1) A dental plan shall file with the department of commerce and insurance a
34 dental loss ratio report for each calendar year during which the dental plan provided
35 dental coverage containing the same information as required in the 2013 federal dental
36 loss ratio annual reporting form (CMS-10418). All terms used in the dental loss ratio
37 annual report shall have the same meanings as used in the federal Public Health Service
38 Act, 42 U.S.C. Section 300gg-18, and 45 CFR Part 158.

39 (2) The dental loss ratio report shall be filed before March first of each year for
40 the previous calendar year. If the department of commerce and insurance requires data
41 verification of the dental loss ratio report, it shall give the dental plan thirty days' notice
42 of the additional information and data required to be submitted to the department. The
43 dental plan shall submit the information requested within thirty days of such notice.
44 The department shall be deemed to have approved all dental loss ratio reports within
45 ninety days of the filing of the reports unless a dental plan is notified otherwise.

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

48 3. A dental plan shall provide an annual rebate to each enrollee, on a pro rata
49 basis, to the extent the dental loss ratio is less than eighty-five percent before August
50 first of the year following the year for which the dental loss ratio report was issued. The
51 total annual rebate is the excess revenue expended by the dental plan on overhead or
52 administrative costs, as determined by the amount by which the denominator of the
53 dental loss ratio exceeds the numerator.

54 **4. Any failure to rebate the amount prescribed in subsection 3 of this section by a**
55 **dental plan not required to be licensed by the department of commerce and insurance**
56 **shall be deemed an unlawful practice under section 407.020.**

✓