

BILL SUMMARY

1st Session of the 60th Legislature

Bill No.:	HB2805
Version:	FA1
Request Number:	13368
Author:	Rep. Marti
Date:	3/24/2025
Impact:	\$0

Research Analysis

The floor amendment for HB 2805 names the act the "Oklahoma Medical Loss Ratios for Dental (DLR) Health Care Services Plans Act." The cs adds definitions of Commissioner, dental carrier, dental health service plan, and dental loss ratio. In calculating the dental loss ratio, where the numerator is divided by the denominator, the numerator is the sum of the amount incurred for clinical dental services provided to enrollees, amount incurred on activities that improve dental care quality, and other incurred claims. The denominator is the total amount of premium revenue, excluding federal and state taxes, licensing and regulator fees paid, nonprofit community expenditures, and any other payments required by federal law. The Commissioner will define expenditures, activities and overhead cost expenditures by rule. Overhead and administrative costs will not be included in the numerator. A carrier that issues, sells, renews, or offers a specialized dental health care service plan contract will file a DLR annual report with the Commissioner that follows the listed criteria. The Commissioner will aggregate dental loss ratios for each carrier by year and calculate an average DLR for each market segment using aggregate data for a three-year period. The Commissioner will calculate an average DLR for each market segment and will investigate those carriers that report a DLR lower than one standard deviation from the mathematical average and may take remediation or enforcement actions against them.

CHANGES IN FLOOR SUB VERSION FROM COMMITTEE SUBSTITUTE:

The floor amendment adds that the plan referred to in this measure does not include employer-sponsored self-funded plan covered by the federal Employee Retirement Income Security Act. The floor amendment adds that the Commissioner will define the information listed by order, rule, or bulletin removes a provision that the definitions promulgated by rule will consistent with similar definitions. The floor amendment requires a DLR annual report to be filed with the Commissioner no later than May 1, 2026 and every year thereafter by May 1. Every carrier must, within 20 days from receipt of the inquiry, must furnish the Commissioner with an adequate response. A carrier subject to remediation will provide any rebate owing to a policyholder no later than August 1 of the fiscal years following the year the ratio was calculated.

Prepared By: Suzie Nahach, House Research Staff

Fiscal Analysis

HB 2805 creates the Oklahoma Medical Loss Ratios for Dental (DLR) Health Care Services Plans Act, requiring dental insurance carriers to electronically file their dental loss ratio (DLR) with the Commissioner of the Oklahoma Insurance Department (OID). The Commissioner is responsible for calculating an average dental loss ratio for each market segment to identify outliers, reporting this information to the Legislature, and publishing the data on a publicly available website. The Commissioner is to promulgate rules establishing the DLR percentage and adopt rules as necessary to carry out the provisions of the Act. OID is a non-appropriated

state agency; therefore, any related costs to regulate are assumed to be objective within the Department's existing resources.

Officials from the Oklahoma Health Care Authority do not anticipate HB 2805 impacting the HealthChoice plan, as the dental plan is self-funded. Therefore, in its current form, HB 2805 is not anticipated to have a direct fiscal impact on the state budget or appropriations.

The floor amendment does not change the fiscal impact of the measure.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.