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S.P. 417

In Senate, March 29, 2021

An Act To Improve the Value of Dental Insurance

Received by the Secretary of the Senate on March 25, 2021. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator SANBORN of Cumberland.

Cosponsored by Senators: CLAXTON of Androscoggin, MAXMIN of Lincoln, POULIOT of Kennebec, STEWART of Aroostook, Representatives: BROOKS of Lewiston, DUNPHY of Old Town, MADIGAN of Waterville.

Be it enacted by the People of the State of Maine as follows:

- **Sec. 1. 24-A MRSA §4301-A, sub-§5,** as enacted by PL 1999, c. 742, §3, is amended to read:
- **5. Enrollee.** "Enrollee" means an individual who is enrolled in a health plan or a managed care plan, except that, for purposes of section 4319-B only, "enrollee" means an individual who is enrolled in an individual or group dental plan.

Sec. 2. 24-A MRSA §4319-B is enacted to read:

§4319-B. Medical loss ratio and rebates for dental insurance plans

- 1. Dental plan defined. For purposes of this section, "dental plan" means a plan providing dental care services to an enrollee in this State that is offered or administered by a carrier. "Dental plan" does not include a qualified health plan with embedded dental benefits offered by a carrier.
- 2. Rebates required. A carrier must provide rebates for individual and group dental plans if the medical loss ratio under subsection 3 is less than the minimum medical loss ratio under subsection 4.
 - A. A carrier must rebate to the enrollee the total amount of premium revenue received by the carrier from the enrollee, excluding federal and state taxes and licensing and regulatory fees paid and after accounting for any payments pursuant to federal law, multiplied by the difference between the minimum medical loss ratio required by subsection 4 and the carrier's medical loss ratio as calculated in subsection 3.
 - B. A carrier must provide any rebate owed to an enrollee no later than September 30th following the end of the previous reporting year.
- <u>3. Medical loss ratio.</u> For purposes of this section, the medical loss ratio is the ratio of the numerator to the denominator as described in paragraphs A and B, respectively. For purposes of this subsection:
 - A. The numerator is the amount expended on reimbursement for clinical dental services provided to enrollees and activities that improve dental care quality as defined in rules and in accordance with subsection 5; and
 - B. The denominator is the total amount of premium revenue excluding federal and state taxes and licensing and regulatory fees paid and after accounting for any payments pursuant to federal law.
 - **4. Minimum medical loss ratio.** The minimum medical loss ratio is 80%.
- 5. Activities that improve dental quality. Activities that improve dental quality must be defined in rule and aligned with similar activities related to quality that are permitted for the determination of the medical loss ratio by carriers offering health plans in this State. Activities that improve dental quality may not include activities that are focused primarily on cost containment, related to the management of claims adjudication systems or retrospective or concurrent utilization review, or related to the development of provider networks, negotiating provider contracts or credentialing providers.

- 6. Rules. The superintendent may adopt rules to implement this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.
- 7. Reports. Beginning July 1, 2023 and on or before July 1st annually thereafter, a carrier offering an individual or group dental plan shall report medical loss ratio information for the preceding calendar year in the format and manner determined by the superintendent. Within 45 days of receiving reports required under this subsection, the superintendent shall post the reports on its publicly accessible website. If verification of information contained in a report filed under this subsection is necessary, the superintendent shall provide at least 30 days' prior notice to the carrier providing the dental plan before commencing any examination, and the carrier has 30 days to submit any information required by the superintendent.
- **8. Exemption.** This section applies to the group health plan provided pursuant to Title 5, section 285.
- **Sec. 3. Application.** The requirements of this Act apply to all individual and group dental plans, as defined in the Maine Revised Statutes, Title 24-A, section 4319-B, subsection 1, executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 2022. For purposes of this Act, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.

20 SUMMARY

 This bill establishes a minimum medical loss ratio of 80% for dental plans and requires rebates to be provided in any year in which a dental plan's medical loss ratio is less than the minimum. The bill's requirements apply to dental plans issued or renewed on or after January 1, 2022.