APPROVED
MARCH 31, 2022
BY GOVERNOR

CHAPTER
529
PUBLIC LAW

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND TWENTY-TWO

S.P. 417 - L.D. 1266

An Act To Require Dental Plan Medical Loss Ratio Reporting and Review

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

Sec. 1. 24-A MRSA §4319-B is enacted to read:

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

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Dental plan" means a plan providing dental care services to an enrollee who is insured by a carrier. "Dental plan" does not include:

(1) A health plan with embedded dental benefits offered by a carrier;

(2) A self-funded employer group health or dental plan, including the group health plan or dental plan provided pursuant to Title 5, section 285 if that health plan or dental plan is self-funded in any given year; or

(3) A plan providing dental care services determined by the superintendent to be a noncredible plan.

B. Notwithstanding section 4301-A, subsection 5, "enrollee" means an individual who is enrolled in an individual or group dental plan.

2. Dental loss ratio defined. For purposes of this section, the dental 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 sum of:

(1) The amount expended for clinical dental services provided to enrollees as defined in rule in accordance with subsection 3;

(2) The amount expended on activities that improve dental care quality as defined in rule in accordance with subsection 4; and

(3) The amount of claims payments identified through fraud reduction efforts; 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.

The numerator described in paragraph A may not include administrative cost expenditures as defined in rule in accordance with subsection 5.

3. Expenditures for clinical dental services. The superintendent shall define "clinical dental services" in rule to be consistent with similar expenditures for clinical services used for reporting of medical loss ratio by carriers offering health plans in the State.

4. Activities that improve dental care quality. The superintendent shall define "activities that improve dental care quality" in rule to be consistent with similar activities related to quality that are permitted for reporting of medical loss ratio by carriers offering health plans in this State such as case management; oral health assessments; identifying and addressing ethnic, cultural or racial disparities in effectiveness of best clinical practices and evidence-based medicine; quality reporting; and health information technology.

5. Administrative cost expenditures. The superintendent shall define "administrative cost expenditures" in rule to be consistent with similar cost expenditures used for reporting of medical loss ratio by carriers offering health plans in the State such as financial administrative expenses, marketing and sales expenses, commissions, distribution expenses, claims operations expenses, utilization review expenses, network operations expenses, charitable expenses, board, bureau or association fees and payroll expenses.

6. Dental loss ratio reporting. Beginning in 2023, on or before July 31st annually, a carrier offering a dental plan in effect during the preceding calendar year shall file a report with the bureau of the carrier's dental loss ratio for the preceding calendar year organized by market segment according to guidance issued by the superintendent.

A. Within 90 days of receiving any report required under this subsection, the superintendent shall post the report on the bureau's publicly accessible website.

B. If verification of information contained in a report filed under this subsection is necessary, the carrier has 30 days to submit any information required by the superintendent.

C. For the initial report filed by a carrier on or before July 31, 2023, the carrier shall include dental loss ratio information for calendar years 2020 and 2021 in addition to information for calendar year 2022.

7. Average dental loss ratio; identifying dental plans with dental loss ratio deviating from average. The superintendent shall aggregate the dental loss ratio reports filed by each carrier pursuant to subsection 6 by market segment. The superintendent shall calculate an average dental loss ratio for each market segment using aggregate data for a 3-year period, including data for the dental loss ratio reporting year that is being reported and the data for the 2 prior dental loss ratio reporting years, and identify as outliers dental plans that fall outside 2 standard deviations of the average dental loss ratio. If the average dental loss ratio in a market segment declines over time, the superintendent may identify as outliers dental plans that fall outside one standard deviation of the average dental loss ratio or establish by rule a minimum average dental loss ratio for use in calculating outliers.

8. Authority for review. For those dental plans identified as outliers in accordance with subsection 7, the superintendent shall conduct a review and require the carrier of a dental plan identified as an outlier to submit additional relevant financial information as requested by the superintendent. The superintendent may require the carrier to submit a remediation plan including but not limited to measures such as rate revisions or benefit modifications. Any action taken by the superintendent pursuant to this subsection is limited to the dental plans identified as outliers.

9. Rules. The superintendent may adopt rules to implement this section, including development of a common reporting form. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 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, continued or renewed in this State on or after January 1, 2023, except for individual and group dental plans issued to a policyholder outside of this State. For purposes of this Act, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.