

2024 Regular Session

SENATE BILL NO. 463

BY SENATOR WHEAT

DENTAL HEALTH. Creates the Louisiana Dental Loss Ratios for Dental Healthcare Services Plans Act. (1/1/25)

1 AN ACT

2 To enact Subpart H of Part III of Chapter 4 of Title 22 of the Louisiana Revised Statutes of
3 1950, to be comprised of R.S. 22:1161 through 1166, relative to dental healthcare
4 plans; to provide for transparency of expenditures of dental healthcare plan
5 premiums; to require an annual report; to require rules; to provide for an effective
6 date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart H of Part III of Chapter 4 of Title 22 of the Louisiana Revised
9 Statutes of 1950, comprised of R.S. 22:1161 through 1166, is hereby enacted to read as
10 follows:

11 **SUBPART H. LOUISIANA DENTAL LOSS RATIOS FOR DENTAL**
12 **HEALTHCARE SERVICES PLANS ACT**

13 **§1161. Short title**

14 **This Subpart shall be cited as the "Louisiana Dental Loss Ratios for**
15 **Dental Healthcare Services Plans Act".**

16 **§1162. Purpose**

17 **The purpose of this Subpart is to provide for transparency of the**

1 expenditures of dental healthcare service plan premiums and to require annual
2 reports.

3 §1163. Definitions

4 As used in this Subpart, the following definitions apply:

5 (1) "Dental carrier" or "carrier" means a dental insurance company,
6 dental service corporation, dental plan organization authorized to provide
7 dental benefits, or a health insurance plan that includes coverage for dental
8 services.

9 (2) "Dental healthcare service plan" or "plan" means any plan that
10 provides coverage for dental healthcare services to enrollees in exchange for
11 premiums.

12 (3) "Dental loss ratio" or "DLR" means a percentage of premium dollars
13 spent on patient care as calculated pursuant to R.S. 22:1164.

14 §1164. Dental loss ratio calculations

15 The dental loss ratio is calculated by dividing the numerator by the
16 denominator as follows:

17 (1)(a) The numerator is the sum of the amount incurred for clinical
18 dental services provided to enrollees, the amount incurred on activities that
19 improve dental care quality, and other incurred claims as defined in 45 CFR
20 158.140(a).

21 (b) The activities to improve dental care quality shall not exceed five
22 percent of the carrier's net revenue.

23 (c) Administrative and overhead costs shall not be included in the
24 numerator.

25 (2) The denominator is the total amount of premium revenue except for
26 federal and state taxes, licensing and regulatory fees paid, and any nonprofit
27 community expenditures, at defined in 45 CFR 158.162(c), any other payments
28 required by federal law.

29 §1165. Transparency of patient premium expenditures; data loss ratio annual

1 report

2 A. In order to provide transparency of patient premium expenditures for
3 dental healthcare services, all carriers that renew, deliver, or issue a dental
4 healthcare service plan in this state shall file a dental loss ratio annual report
5 for the preceding calendar year to the commissioner no later than June 30,
6 2025, and annually thereafter, no later than June thirtieth of each calendar
7 year.

8 B. The data ratio loss annual report shall comply with all of the
9 following:

10 (1) Be organize by market and product type.

11 (2) Contain the same information as required by the 2013 federal
12 Centers for Medicare & Medicaid Services Medical Loss Ratio Annual
13 Reporting Form (CMS-10418).

14 (3) Provide the number of enrollees, the plan cost-sharing, deductible
15 amounts, the annual maximum coverage limit, and the number of enrollees who
16 meet or exceed the annual coverage limit.

17 C. Any terms used in the data loss ratio annual report shall have the
18 same meaning as used in the federal Public Health Service Act, 42 U.S.C. 300gg-
19 18 and Part 158 of Title 45 of the Code of Federal Regulations.

20 D. If the commissioner deems it necessary that additional information
21 is needed to verify a plan's representation of its data, the commissioner shall
22 provide a written notice to the carrier that requests this additional information.
23 The carrier shall have thirty days from receipt of the notice to submit the
24 additional information.

25 E. The data loss ratio annual report filed with the commissioner shall be
26 made available to the public no later than December 1, 2025, and annually
27 thereafter, no later than December first of each calendar year. The
28 commissioner shall post the dental loss ratio in a searchable format on the
29 department's website.

1 **F. The commissioner shall file a report on the data collected pursuant to**
 2 **this Section with the Senate Committee on Insurance and the House Committee**
 3 **on Insurance, and a copy of the report be forwarded to the David R. Poynter**
 4 **Legislative Research Library as required by R.S. 24:771 and 772, no later than**
 5 **December 1, 2025, and annually thereafter, no later than December first of each**
 6 **calendar year.**

7 **G. The provisions of this Subpart shall not apply to plans under**
 8 **Medicaid or the Louisiana Children's Health Insurance Program.**

9 **§1166. Rules**

10 **A. The commissioner shall promulgate a rule to define expenditures for**
 11 **clinical dental services, activities to improve dental care quality, and the**
 12 **administrative and overhead cost expenditures.**

13 **B. The definitions promulgated by this rule shall be consistent with**
 14 **similar definitions that are used for the reporting of dental loss ratios by**
 15 **carriers offering dental healthcare service plans in this state.**

16 **C. The commissioner shall adopt any additional rules as necessary to**
 17 **effectuate the provisions of this Subpart.**

18 Section 2. This Act shall become effective on January 1, 2025.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Beth O'Quin.

DIGEST

SB 463 Original

2024 Regular Session

Wheat

Present law does not contain a requirement for dental carriers to provide dental loss ratios for their dental healthcare service plans.

Proposed law creates the "La. Dental Loss Ratios for Dental Healthcare Services Plans Act".

Proposed law provides definitions for "dental carrier", "dental healthcare service plan", and "dental loss ratio".

Proposed law requires dental carriers to file an annual report for dental loss ratios to the commissioner of insurance (commissioner) no later than June 30, 2025, and annually thereafter, no later than June 30th, of each calendar year.

Proposed law provides the information that is required to be included for the data loss ratio annual report.

Proposed law provides the commissioner may request additional information from the carrier to verify the annual report data.

Proposed law requires the data ratio report be published in a searchable format on the Dept. of Insurance's website no later than December 1, 2025, and annually thereafter, no later than December first, of each calendar year.

Proposed law provides the commissioner shall promulgate rules to effectuate proposed law.

Effective January 1, 2025.

(Adds R.S. 22:1161-66)