

February 24, 2025

The Honorable Beverly Gossage, Chairperson
Senate Committee on Public Health and Welfare
300 SW 10th Avenue, Room 142-S
Topeka, Kansas 66612

Dear Senator Gossage:

SUBJECT: Fiscal Note for SB 182 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 182 is respectfully submitted to your committee.

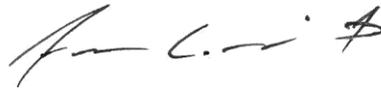
SB 182 would enact the Kansas Medical Loss Ratio for Dental Healthcare Services Plans Act that would be administered by the Insurance Commissioner. A carrier that issues, sells, renews, or offers a specialized healthcare service plan would be required to file a dental loss ratio (DLR) annual report to the Insurance Commissioner and the bill details what would be included in the report and how it is to be organized. By each January 1 after the Commissioner receives the DLR reports, the Commissioner would make the information available to the public on a website that would be searchable to allow a person to compare dental loss ratios among carriers by plan type. The Commissioner would also annually report the data collected to the Legislature.

Starting July 1, 2026, the required DLR would be 85.0 percent. The Commissioner would calculate the DLR for each dental carrier, identify those that fall below 85.0 percent, and report those plans to the Legislature. The Commissioner would also investigate those carriers that have a DLR less than 85.0 percent and could take remediation or enforcement actions against the carrier, which could include ordering the carrier to rebate all premiums paid exceeding amounts that would have otherwise caused the carrier to achieve a DLR of 85.0 percent. If there is remediation, the rebate would be issued no later than July 1 of the year following the report. The Commissioner could also establish alternatives to issuing rebates that could include premium reductions in the following benefit year.

The Insurance Department states that any additional requirements created by the bill would be absorbed within the agency's existing resources and therefore the bill would not have a fiscal effect. Since the State's dental plan is self-funded, enactment of the bill would not have a fiscal effect on the State Employee Health Plan or the Department of Administration. Any fiscal effect associated with SB 182 is not reflected in *The FY 2026 Governor's Budget Report*.

The Kansas Association of Counties states that the bill could affect counties depending on how the loss ratios impact insurance premiums. However, a fiscal effect cannot be estimated. The League of Kansas Municipalities states that the bill would not have a fiscal effect on cities.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Kyle Strathman, Insurance Department
Samir Arif, Department of Administration
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties