SENATE BILL No. 182

By Committee on Financial Institutions and Insurance

2-4

1 AN ACT concerning health insurance; relating to dental benefit plans and
2 services; enacting the Kansas medical loss ratios for dental healthcare
3 services plans act; requiring certain carriers to file a dental loss ratio
4 annual report; providing for remediation or enforcement actions against
5 certain carriers that report dental loss ratios that do not meet the
6 required ratio percentage; authorizing the commissioner to adopt rules
7 and regulations therefor.
8
9 *Be it enacted by the Legislature of the State of Kansas:*
10 Section 1. (a) Sections 1 through 4, and amendments thereto, shall be
11 known and may be cited as the Kansas medical loss ratio for dental
12 healthcare services plans act.
13 (b) As used in the Kansas medical loss ratios for dental healthcare
14 services plans act:
15 (1) "Commissioner" means the commissioner of insurance;
16 (2) "dental carrier" or "carrier" means a dental insurance company,
17 dental service corporation, dental plan organization authorized to provide
18 dental benefits, or a health benefits plan that includes coverage for dental
19 services;
20 (3) "dental healthcare service plan" or "plan" means any plan that
21 provides coverage for dental health care services to enrollees in exchange
22 for premiums and does not include plans under Medicaid or CHIP; and
23 (4) "dental loss ratio" or "DLR" means the percentage of premium
24 dollars spent on patient care as calculated pursuant to subsection (c).
25 (c) The dental loss ratio is calculated by dividing the numerator by
26 the denominator, where:
27 (1) (A) The numerator is the amount spent on actual patient care
28 including the total amount expended by the dental benefit plan for clinical
29 dental services and unpaid claims reserves, less any overpayment
30 recoveries received by providers and any claim payments recovered by
31 utilization management; and
32 (B) the numerator does not include:
33 (i) Administrative costs, including, but not limited to, infrastructure,
34 personnel costs or broker payments;
35 (ii) amounts paid to third-party vendors for secondary network
36 savings, network development, administrative fees, claims processing or

1 utilization management; or
2 (iii) amounts paid to providers for professional or administrative
3 services that do not represent compensation or reimbursement for covered
4 services provided to an insured, including, but not limited to, dental record
5 copying costs, attorney fees, subrogation vendor fees, compensation to
6 paraprofessionals, janitors, quality assistance analysts, administrative
7 supervisors, secretaries and dental record clerks; and
8 (2) (A) the denominator is the total amount of earned premium
9 revenues and is calculated using dental benefit plan revenue;
10 (B) the denominator does not include:
11 (i) Federal and state taxes; and
12 (ii) licensing and regulatory fees paid after accounting for any
13 payments made pursuant to federal law.
14 Sec. 2. (a) (1) A carrier that issues, sells, renews or offers a
15 specialized healthcare service plan shall file a DLR annual report with the
16 commissioner. The report shall be organized by market and product type
17 and contain the same information required in the 2013 federal medical loss
18 ratio annual reporting form, CMS-10418.
19 (2) The filing shall also report additional data, including the number
20 of enrollees, the plan cost-sharing and deductible amounts, the annual
21 maximum coverage limit and the number of enrollees who meet or exceed
22 the annual coverage limit.
23 (b) The DLR reporting year shall be for the fiscal year during which
24 dental coverage is provided by the plan. All terms used in the DLR annual
25 report mean the same as defined in the federal public health service act, 42
26 U.S.C. § 300gg-18, part 158, commencing with § 158.101, of title 45 of
27 the code of federal regulations and § 1367.003.
28 (c) If data verification of the carrier's representations in the DLR
29 annual report is deemed necessary, the commissioner shall notify the
30 carrier and allow 30 days for submission of any required information.
31 (d) By January 1 of the year after the commissioner receives the
32 dental loss ratio information collected pursuant to subsection (a), the
33 commissioner shall make the information, including the aggregate dental
34 loss ratio and other data reported pursuant to this section, available to the
35 public in a searchable format on a public website that allows members of
36 the public to compare dental loss ratios among carriers by plan type by:
37 (1) Posting the information on the department's website; or
38 (2) providing the information to the administrator of an all-payer
39 health claims database. If the commissioner provides the information to
40 the administrator, the administrator shall make the information available to
41 the public in a format determined by the commissioner.
42 (e) The commissioner shall annually report the data collected
43 pursuant to this section to the legislature.

1 Sec. 3. (a) On and after July 1, 2026, the required dental loss ratio
2 shall be 85%.
3 (b) The commissioner shall calculate the dental loss ratio for each
4 dental carrier, identify as outliers those dental plans that fall below 85%
5 and report those plans to the legislature consistent with the manner set
6 forth in section 2(d) and (e), and amendments thereto.
7 (c) The commissioner shall investigate those carriers that report a
8 dental loss ratio of less than 85% and may take remediation or
9 enforcement actions against such carriers, including ordering such carriers
10 to rebate, in a manner consistent with 45 C.F.R. part 158(B) of the
11 affordable care act, all premiums paid exceeding amounts that would have
12 otherwise caused such carriers to achieve the 85% dental loss ratio.
13 (d) A carrier subject to remediation pursuant to subsection (c) shall
14 provide any rebate owing to a policyholder not later than July 1 of the year
15 following the year for which the ratio described in subsection (a) was
16 calculated. The commissioner may establish alternatives to direct rebates
17 to include premium reductions in the following benefit year.
18 Sec. 4. The commissioner shall adopt rules and regulations necessary
19 to implement and administer the provisions of this act, including a process
20 to identify carriers that increase rates in excess of the percentage increase
21 of the latest dental services consumer price index as reported through the
22 United States bureau of labor statistics.
23 Sec. 5. This act shall take effect and be in force from and after its
24 publication in the statute book.