

SECOND REGULAR SESSION

# SENATE BILL NO. 1596

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY SENATOR CARTER.

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KRISTINA MARTIN, Secretary

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### AN ACT

To amend chapter 354, RSMo, by adding thereto one new section relating to dental plans.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 354, RSMo, is amended by adding thereto  
2 one new section, to be known as section 354.718, to read as  
3 follows:

354.718. 1. **As used in this section, the following**  
2 **terms mean:**  
3 (1) "Dental loss ratio", the percentage of the amount  
4 of premiums received by a dental plan expended on actual  
5 patient care rather than overhead or administrative costs,  
6 as determined by the following fraction:  
7 (a) The numerator shall be the amount expended for  
8 clinical dental services provided to dental plan enrollees,  
9 including payments under capitation contracts with dental  
10 providers, during the reporting year together with unpaid  
11 claim reserves for dental services performed during the  
12 reporting year but not yet paid. The numerator shall not  
13 include:  
14 a. Administrative costs including, but not limited to,  
15 infrastructure costs, personnel costs, or broker payments;  
16 b. Amounts paid to third-party vendors for secondary  
17 network savings;

18       c. Amounts paid to third-party vendors for network  
19 development, administrative fees, claims processing, and  
20 utilization management;

21       d. Amounts paid to providers for professional or  
22 administrative services that do not represent compensation  
23 or reimbursement for covered services provided to an  
24 enrollee including, but not limited to, dental record  
25 copying costs, attorney's fees, subrogation vendor fees, and  
26 compensation to paraprofessionals, janitors, quality  
27 assurance analysts, administrative supervisors, secretaries  
28 to dental personnel, and dental record clerks; or

29       e. Overpayments made by the provider that were  
30 recovered by the dental plan and not previously reported on  
31 any dental loss ratio report; and

32       (b) The denominator shall be all earned premiums  
33 received by the dental plan for dental services, excluding  
34 federal and state taxes; licensing fees; regulatory fees;  
35 payments or receipts for risk adjustment, risk corridors,  
36 and reinsurance; community benefit expenditures, as defined  
37 in 45 CFR 158.162(c); and any other payments required by  
38 federal law;

39       (2) "Dental plan", any health benefit plan, or portion  
40 of a health benefit plan, that issues, sells, renews, or  
41 offers a contract covering dental care services. The term  
42 "dental plan" shall not include any health benefit plan for  
43 health care services under MO HealthNet, the state  
44 children's health insurance program authorized in sections  
45 208.631 to 208.658, or any other state-sponsored health  
46 insurance program.

47       2. (1) A dental plan shall file with the department  
48 of commerce and insurance a dental loss ratio report for  
49 each calendar year during which the dental plan provided

50 dental coverage containing the same information as required  
51 in the 2013 federal dental loss ratio annual reporting form  
52 (CMS-10418). All terms used in the dental loss ratio annual  
53 report shall have the same meanings as used in the federal  
54 Public Health Service Act, 42 U.S.C. Section 300gg-18, and  
55 45 CFR Part 158.

56 (2) The dental loss ratio report shall be filed before  
57 March first of each year for the previous calendar year. If  
58 the department of commerce and insurance requires data  
59 verification of the dental loss ratio report, it shall give  
60 the dental plan thirty days' notice of the additional  
61 information and data required to be submitted to the  
62 department. The dental plan shall submit the information  
63 requested within thirty days of such notice. The department  
64 shall be deemed to have approved all dental loss ratio  
65 reports within ninety days of the filing of the reports  
66 unless a dental plan is notified otherwise.

67 (3) The department of commerce and insurance shall  
68 make available to the public all the data provided to the  
69 department in accordance with this section.

70 3. A dental plan shall provide an annual rebate to  
71 each enrollee, on a pro rata basis, to the extent the dental  
72 loss ratio is less than eighty-five percent before August  
73 first of the year following the year for which the dental  
74 loss ratio report was issued. The total annual rebate is  
75 the excess revenue expended by the dental plan on overhead  
76 or administrative costs, as determined by the amount by  
77 which the denominator of the dental loss ratio exceeds the  
78 numerator.

79 4. Any failure to rebate the amount prescribed in  
80 subsection 3 of this section by a dental plan not required

81 to be licensed by the department of commerce and insurance  
82 shall be deemed an unlawful practice under section 407.020.

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