

November 13, 2023

The Honorable Steve Westfall
Chair, Health Insurance & Long-Term Care
Issues Committee
National Council of Insurance Legislators
616 5th Avenue, Suite 106
Belmar, NJ 07719

The Honorable Rachel Roberts
Vice Chair, Health Insurance & Long-Term Care
Issues Committee
National Council of Insurance Legislators
616 5th Avenue, Suite 106
Belmar, NJ 07719

RE: Consideration of Dental Loss Ratio Model Amendments at NCOIL Annual Meeting

Dear Chairman Westfall, Vice Chair Roberts, and Members of the National Council of Insurance Legislators (NCOIL) Health Insurance and Long-Term Care Issues Committee,

The undersigned organizations appreciate the opportunity to provide our support for the amendments based on Colorado Senate Bill 23-179 (otherwise known as the Colorado version) to the NCOIL Medical Loss Ratios for Dental Health Care Service Plans Model Act. These amendments were exposed and discussed during the interim meeting of the Health Insurance and Long-Term Care Issues Committee on October 6th.¹ We strongly encourage the Committee to adopt these amendments at the November 2023 NCOIL Annual Meeting without further delay. The amendment language represents a thoughtful approach to dental insurance regulation which establishes transparency and accountability for dental plans with loss ratios that deviate from market standards.

The amendments presented on October 6 build on a decade of experience by legislators, regulators, and the dental benefits industry in understanding dental loss ratios. If approved, the model would

- Establish detailed reporting requirements for dental plans on loss ratios and plan design;
- Empower regulators to examine dental insurance coverages in their state holistically;
- Provide enforcement authority to the Department of Insurance, which could include further financial examination of plan filings, product revisions, audits, and if average loss ratios decline over a reporting period of three years, a loss ratio floor.

These measures significantly expand the scrutiny of dental insurance products, but also seek to preserve the competition and price stability of the dental benefits market for plans by not setting an arbitrary loss ratio for dental plans which could significantly harm access to care. We remain concerned that an approach that resembles the language passed in Massachusetts to set an arbitrary loss ratio would significantly damage the dental benefits market by raising

¹ <https://ncoil.org/wp-content/uploads/2023/09/NCOIL-DLR-Model-Draft-9-15-23.pdf>

premiums on small businesses and individuals, and disrupting the continuity of oral health care for large numbers of people. We have already seen several dental plans leave the small group dental market in Massachusetts and it is likely that more plans will follow by the end of the year.

The proposed amendment represents a meaningful compromise based on the experience in states which have gathered loss ratio data and passed legislation on a bipartisan, collaborative basis including:

- Colorado
- Maine
- Arizona
- California
- Washington State

Similar language is also under consideration in Pennsylvania and New Hampshire, and more will likely consider adoption in 2024. Because of NCOIL's leadership on dental insurance issues, it is imperative that the committee approve the amendment and pass the model at the Annual meeting to provide guidance to those states which are considering dental insurance legislation in their 2024 sessions.

Thank you for your consideration. All questions should be directed to Owen Urech, Director of Government Relations for NADP at ourech@nadp.org.

Sincerely,

Aflac

AHIP

American Council of Life Insurers

Ameritas Life Insurance Corp.

Delta Dental Plans Association

Guarantee Trust Life

Guardian Life Insurance Company of America

Health Benefits Institute

MetLife

National Association of Dental Plans

Sun Life