

ENSURING DENTAL PLAN TRANSPARENCY THROUGH MEDICAL LOSS RATIO

H. 584/S. 505 – An Act Relative to Medical Loss Ratio for Insurance Corporations

Bill Sponsors: Senator Harriette L. Chandler & Representative John Scibak

Issue

The Massachusetts Dental Society (“MDS”) represents approximately 5,200 dentists in the Commonwealth of Massachusetts, or about 80% of the dentists in the state. The MDS wants to ensure that dental benefits companies are transparent and held accountable. ***An Act Relative to Medical Loss Ratio for Insurance Corporations*** will put the patient and consumer ahead of the large dental benefits corporations.

Health care cost control has been a top priority for Massachusetts policy makers, especially since the passage of Chapter 224 in 2012, which created an array of tools to reign in health care costs. Among these was a section that mirrored one of the key components of the Affordable Care Act, a provision requiring the reporting of medical loss ratios (MLR) by health insurance plans, and an adherence to a minimum medical loss ratio. Medical loss ratio is the proportion of an insurer's premiums that are spent on medical care to what they spend on administrative costs. Establishing a benchmark MLR forces insurers to operate more efficiently, and helps to keep premium costs low for consumers. Insurers who cannot maintain the MLR required by law are required to refund the difference to their policy-holders.

This legislation will bring increased transparency and accountability to dental plans in Massachusetts. This bill creates standardized requirements for dental plans to annually disclose how they spend patient premium revenue and brings dental plan reporting requirements to the same level that currently exists for medical plans. Furthermore, the legislation adopts a minimum percentage of patient premium dollars that dental plans must spend on patient care, as opposed to administrative overhead costs and profits, a MLR. Under current law, all medical plans must spend at least 80 percent of patient premium revenue directly on patient care. However, no MLR standard exists for dental plans. The MLR requirement for medical plans has saved patients billions of dollars on premiums since taking effect in 2011, and dental patients deserve the same protections from their dental plans.

Resolution

This legislation requires that dental benefits corporations meet the same standard that medical insurance corporations have had to meet for several years. The Massachusetts Dental Society respectfully urges the Legislature to enact ***An Act Relative to Medical Loss Ratio for Insurance Corporations*** and send a message that Massachusetts will protect consumers by bring transparency and accountability to dental plans in the Commonwealth.

Questions can be directed to:

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The [Massachusetts Dental Society](#), is the organization dedicated to improving the oral health of the public and professional development of its membership through initiatives in education, advocacy, and promotion of the highest professional standards.