

# Dental Loss Ratio Reporting Requirements Stakeholder Meeting

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Commissioner Mike Conway  
Deputy Commissioner Debra Judy  
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**COLORADO**  
Department of  
Regulatory Agencies  
Division of Insurance

# Dental Loss Ratio Legislation Overview

- [SB23-179- “Dental Plans Medical Loss Ratio”](#)
- Dental Loss Ratio Requirements
  - Establishes a formula for calculating a dental loss ratio (DLR)
  - Requires carriers to report their DLR by market segment and product to the DOI on or before July 31 of each year, beginning in 2024
  - Requires the DOI or the Administrator of the All-Payer Claims Database (APCD) to make the DLR information publicly available
  - Authorizes the Commissioner to create a process to identify outliers after the DOI has collected data for two calendar years

# Dental Loss Ratio Legislation Overview, continued

- Other Provisions (separate rulemaking)
  - Requires prepaid dental plan organizations to file rates with the Division of Insurance (DOI)
  - Requires carriers that offer dental coverage plans to issue a standardized written or virtual card to enrollees (amended 4-2-29)

# Dental Loss Ratio Calculation

- The numerator is the sum of:
  - The amount incurred for clinical dental services provided to enrollees;
  - The amount incurred on activities that improve dental care quality; and
  - The amount of claims payments identified through fraud reduction efforts
- The denominator is the total amount of premium revenue, excluding:
  - Federal and state taxes;
  - Licensing and regulatory fees paid;
  - Nonprofit community benefit expenditures; and
  - Other payments required by federal law

# Definitions Established in SB23-179

- “Community benefit expenditure” means an expenditure for an activity or program, or to an organization, which seeks to achieve the objectives of improving access to dental services and enhancing dental health. This includes an activity that:
  - Is available broadly to the public and serves low-income consumers;
  - Reduces geographic, financial, or cultural barriers to accessing dental services, and if the activity ceased to exist would result in access problems;
  - Addresses oral health workforce shortages, such as advancing education and training of oral health professionals; or
  - Leverages or enhances dental public health activities.
- “Dental coverage plan” means a health coverage plan that includes coverage for the costs of dental care services, including a plan issued by a prepaid dental plan organization

# Definitions to be Established in Rulemaking

- The Division is seeking comment on the following definitions to include in Dental Loss Ratio rulemaking:
  - “Expenditures for Clinical Dental Services”
  - “Activities that Improve Dental Care Quality”
  - “Overhead and Administrative Cost Expenditures”
  - “Nonprofit Community Benefit Expenditures”

# Reporting Considerations

- Reporting by market segment (individual, large group, small group) and product type
- Credibility exclusion- what is an appropriate number of covered lives to trigger reporting?
- DOI-provided template format
- Other considerations or concerns?

# Next Steps

- Standardized Card Information (amended 4-2-29)
  - Regulation updated based on public comments
  - Rulemaking hearing scheduled for 10/30/23 from 1-2 pm
- Future DOI Rulemaking
  - Dental Plan Rate Filing
  - Dental Loss Ratio Reporting Requirements
- Questions and Comments
  - Send to: [deb.judy@state.co.us](mailto:deb.judy@state.co.us) and [tara.smith@state.co.us](mailto:tara.smith@state.co.us)
  - Send comments on definitions and other considerations by end of day Thursday 10/19



# Questions?



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