

March 7, 2023

Health Insurance & Long-term Care Issues Committee
National Council of Insurance Legislators

Re: Medical Loss Ratios (MLR) for Dental Health Care Services Plans Model Act

Dear Committee Members:

On behalf of the undersigned members of the Organized Dentistry Coalition, we urge you to adopt the *Medical Loss Ratios (MLR) for Dental Health Care Services Plans Model Act* (the Model Act). The Model Act, sponsored by Del. Steve Westfall (WV), will be presented to the Health Insurance & Long-term Care Issues Committee for consideration on March 12th. Medical Loss Ratio laws serve to maximize patients' investments in their health care coverage plans. Adopting this act will help dental patients receive greater value from their dental insurance products and therefore, improved access to dental care.

Medical Loss Ratio is a simple measure of the percentage of insurers' revenue spent on actual care. Measuring insurers' investment in care is not a new concept, but in recent years there has been an increasing concern about insurance products' lack of transparency and whether they provide true value for patients. On the major medical side, lawmakers have acted upon this concern using MLR data to better ensure health care value for patients. Medical plans in all states are now required to spend 80-85% of their premium revenue on actual care or refund to patients an amount that would equate to reaching this percentage. Insurers refunded \$5.5 billion in the last three years this policy was in place, according to the Centers for Medicare and Medicaid Services¹. Health insurers are being held accountable for the products they market. Dental insurers are not held to any such similar standard.

Dental insurance was not included in the national MLR reforms in 2010, but dental patients deserve the same protections, and clearly want them. In November 2022, Massachusetts voters approved a standard-setting MLR ballot question by a substantial, bipartisan, 72 percent. Adopting the Model Act at NCOIL would be one of the first steps to ensure dental patients across the country enjoy the same protections as found under medical insurance MLR guidelines. Leading health care thinktanks on both sides of the aisle agree. The Consumer Choice Center, a right-leaning organization, suggested that adding a requirement for a medical loss ratio for dental insurers would help promote price transparency and provide incentives to reduce administrative waste. This would help reduce costs for patients.² Similarly, the Progressive Policy Institute says dental plans should be subject to greater regulation to ensure that consumers' and employers' premium dollars are going toward actual dental care.³

Adopting the Model Act would serve to promote accountability among dental insurers. We urge NCOIL to take the lead in promoting the same accountability that has existed for over a decade for health plans and adopt the Model Act. On behalf of our members and their patients, we thank you for your consideration. Please contact Chad Olson at 312-440-3520/olsonc@ada.org with any questions.

¹ [Medical Loss Ratio Data and System Resources](#)

² [Dental Insurance Reform 2021 Policy Note](#)

³ [Dental insurance: Plans without protections](#)

Sincerely,

American Dental Association

Academy of General Dentists

American Association of Oral and Maxillofacial Surgeons

American Academy of Periodontology

American Academy of Pediatric Dentistry

American Academy of Endodontists

American Association of Oral and Maxillofacial Pathology

American College of Prosthodontists

American College of Orthodontists