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Legislative Document

No. 1266

S.P. 417

In Senate, March 29, 2021

An Act To Improve the Value of Dental Insurance

Received by the Secretary of the Senate on March 25, 2021. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator SANBORN of Cumberland.
Cosponsored by Senators: CLAXTON of Androscoggin, MAXMIN of Lincoln, POULIOT of Kennebec, STEWART of Aroostook, Representatives: BROOKS of Lewiston, DUNPHY of Old Town, MADIGAN of Waterville.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 24-A MRSA §4301-A, sub-§5**, as enacted by PL 1999, c. 742, §3, is
3 amended to read:

4 **5. Enrollee.** "Enrollee" means an individual who is enrolled in a health plan or a
5 managed care plan, except that, for purposes of section 4319-B only, "enrollee" means an
6 individual who is enrolled in an individual or group dental plan.

7 **Sec. 2. 24-A MRSA §4319-B** is enacted to read:

8 **§4319-B. Medical loss ratio and rebates for dental insurance plans**

9 **1. Dental plan defined.** For purposes of this section, "dental plan" means a plan
10 providing dental care services to an enrollee in this State that is offered or administered by
11 a carrier. "Dental plan" does not include a qualified health plan with embedded dental
12 benefits offered by a carrier.

13 **2. Rebates required.** A carrier must provide rebates for individual and group dental
14 plans if the medical loss ratio under subsection 3 is less than the minimum medical loss
15 ratio under subsection 4.

16 A. A carrier must rebate to the enrollee the total amount of premium revenue received
17 by the carrier from the enrollee, excluding federal and state taxes and licensing and
18 regulatory fees paid and after accounting for any payments pursuant to federal law,
19 multiplied by the difference between the minimum medical loss ratio required by
20 subsection 4 and the carrier's medical loss ratio as calculated in subsection 3.

21 B. A carrier must provide any rebate owed to an enrollee no later than September 30th
22 following the end of the previous reporting year.

23 **3. Medical loss ratio.** For purposes of this section, the medical loss ratio is the ratio
24 of the numerator to the denominator as described in paragraphs A and B, respectively. For
25 purposes of this subsection:

26 A. The numerator is the amount expended on reimbursement for clinical dental
27 services provided to enrollees and activities that improve dental care quality as defined
28 in rules and in accordance with subsection 5; and

29 B. The denominator is the total amount of premium revenue excluding federal and
30 state taxes and licensing and regulatory fees paid and after accounting for any payments
31 pursuant to federal law.

32 **4. Minimum medical loss ratio.** The minimum medical loss ratio is 80%.

33 **5. Activities that improve dental quality.** Activities that improve dental quality must
34 be defined in rule and aligned with similar activities related to quality that are permitted
35 for the determination of the medical loss ratio by carriers offering health plans in this State.
36 Activities that improve dental quality may not include activities that are focused primarily
37 on cost containment, related to the management of claims adjudication systems or
38 retrospective or concurrent utilization review, or related to the development of provider
39 networks, negotiating provider contracts or credentialing providers.

