

Bill Summary
1st Session of the 60th Legislature

Bill No.:	SB 1060
Version:	INT
Request No.	367
Author:	Sen. Thompson
Date:	01/27/2025

Bill Analysis

SB 1060 provides that the medical loss ratio for a dental plan or the dental coverage portion of a health benefit plan shall be determined by dividing the amount spent on care by the total amount of earned premium revenues. The amount spent on care shall not include administrative costs and payments to third-party vendors for secondary network savings. The amount of earned premium revenues shall not include federal and state taxes and licensing and regulatory fees paid after accounting for any payments. The measure requires each dental health plan to file a medical loss ratio (MLR) with the Insurance Department. The measure requires such plans offering a specialized health care service plan to provide an annual rebate to each enrollee under that coverage if the ratio of the amount of premium revenue expended by the dental benefit plan or the dental portion of a health benefit plan on the costs for reimbursement for services provided to enrollees under that coverage and for activities that improve dental care quality to the total amount of premium revenue. Such plans shall be implemented by January 1, 2028.

The measure also requires all carriers offering dental benefit plans to file group product base rates and any changes to group rating factors that are to be effective on January 1 of each year. The measure prohibits the establishment of rates that are excessive, inadequate, or unfairly discriminatory in compliance with rules promulgated by the Insurance Commissioner. The measure provides for the presumptive disapproval of rate increases if the base rate change and the administrative expense loading component increases by more than the most recent calendar year's percentage increase in the dental services Consumer Price Index.

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