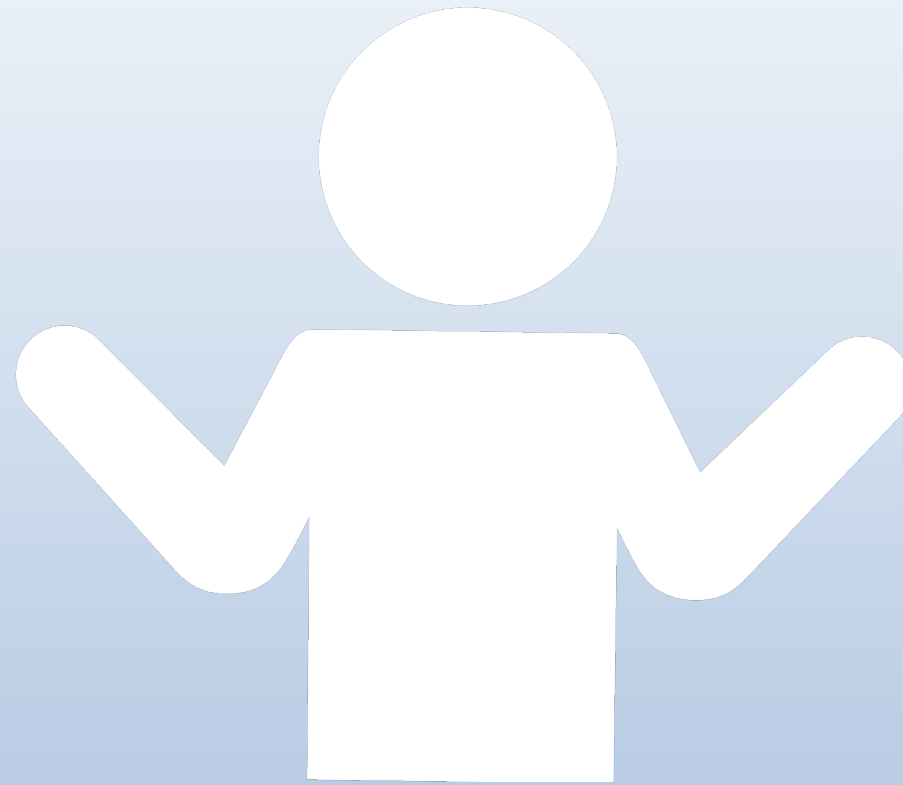


MEDICAL LOSS RATIO FOR DENTAL INSURANCE

What is Medical
Loss Ratio
(MLR)?

How does it
help patients?



What is the difference between
general health insurance and
dental insurance?

What progress has
been made in the
states?



THE DIFFERENCE BETWEEN GENERAL HEALTH INSURANCE AND DENTAL INSURANCE

General Health Insurance: Provides unexpected/catastrophic coverage

Dental Insurance: Provides only basic preventative care

GENERAL HEALTH INSURANCE

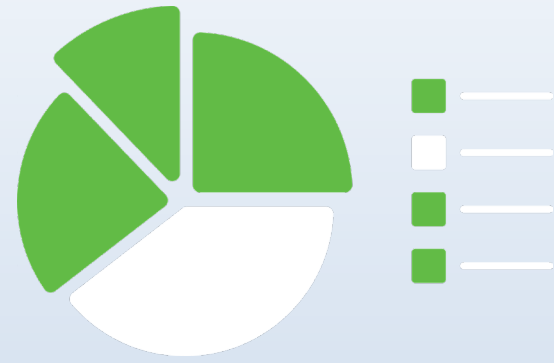
- No annual limit; unused benefits do not roll back into insurers' bank
- Risk-based
- Able to spread risk
- Plan design encourages prevention and catastrophic care costs

DENTAL INSURANCE

- Limited annual care expenditure
- Insurance payments are generally low (lower premiums)
- Designed to cover basic preventative care rather than treatment of dental disease
- Insurance typically covers 50% of costs for major issues (usually capped at \$1,000 per year)
- Tends to be treated as a stipend. Many employers do not cover or offer it at all

SUMMARY

Plan Components	Medical	Dental
Annual Limit on Expenditures	X	✓
Risk Bearing-Spreading Risk	✓	X
Preexisting Condition Limits	X	✓
Must Comply with PPA	✓	X
Deductibles	✓	✓
Co-Pay/Coinsurance	✓	✓
Prior Authorizations	✓	✓



WHAT IS MEDICAL LOSS RATIO (MLR)?

The percentage of insurance premiums spent on patient care, rather than on overhead costs, like executive salaries and administration.

HB 1481 CONSUMER PROTECTIONS

1

Adds transparency to dental insurance

2

Establishes a minimum percentage of premiums that dental insurers must spend on patient care

3

Requires carriers who do not meet the minimum percentage to refund the difference to covered patients and groups

HOW THIS BILL HELPS PATIENTS

Improves the value employers
and patients get for
their premium dollars

Patients will get the care they
need, when they need it

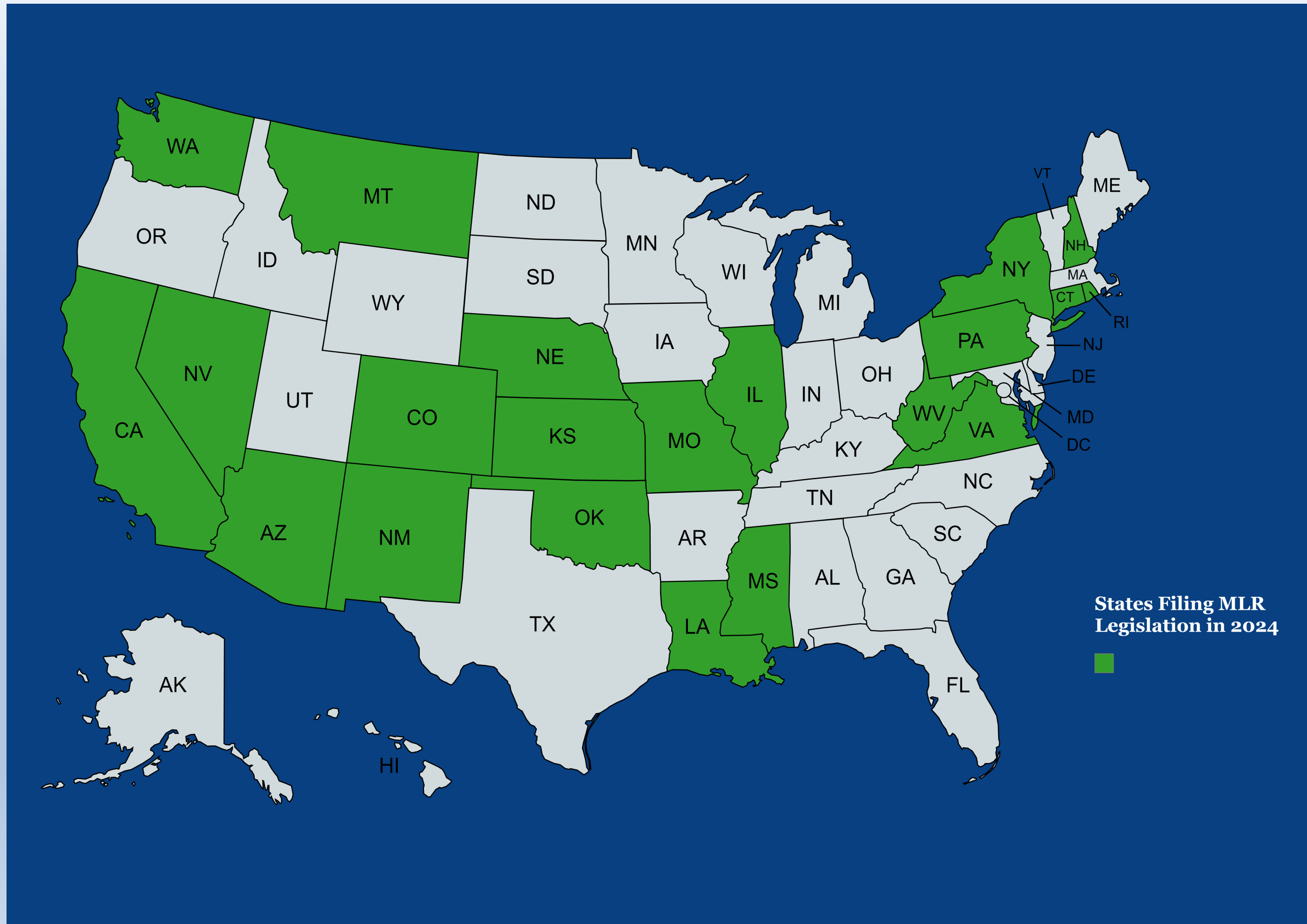


Makes dental
insurance more reliable

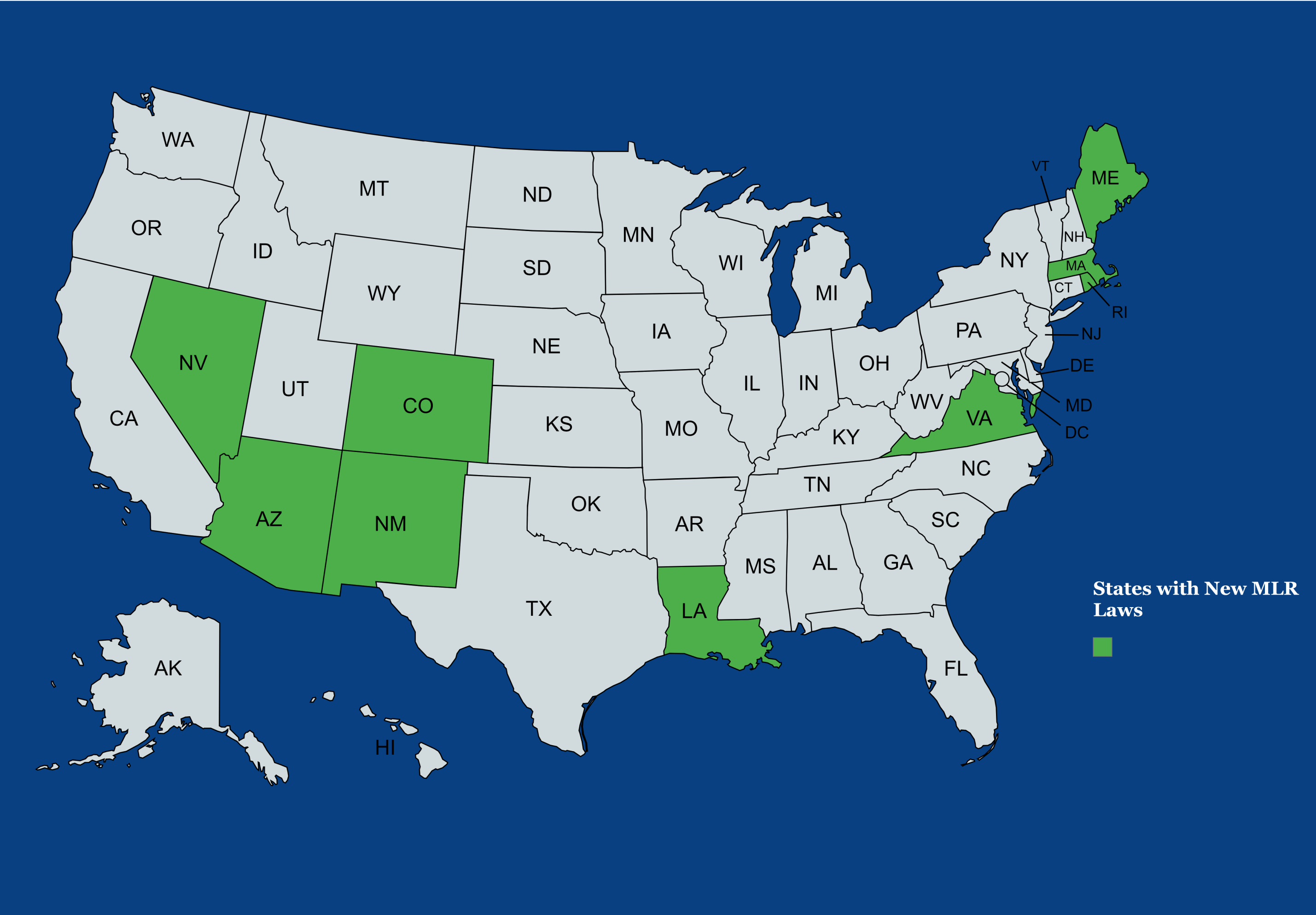
Incentivizes dental insurers to
cover needed care and encourages
subscribers to get preventative care

MLR legislation will improve the value of oral health coverage.

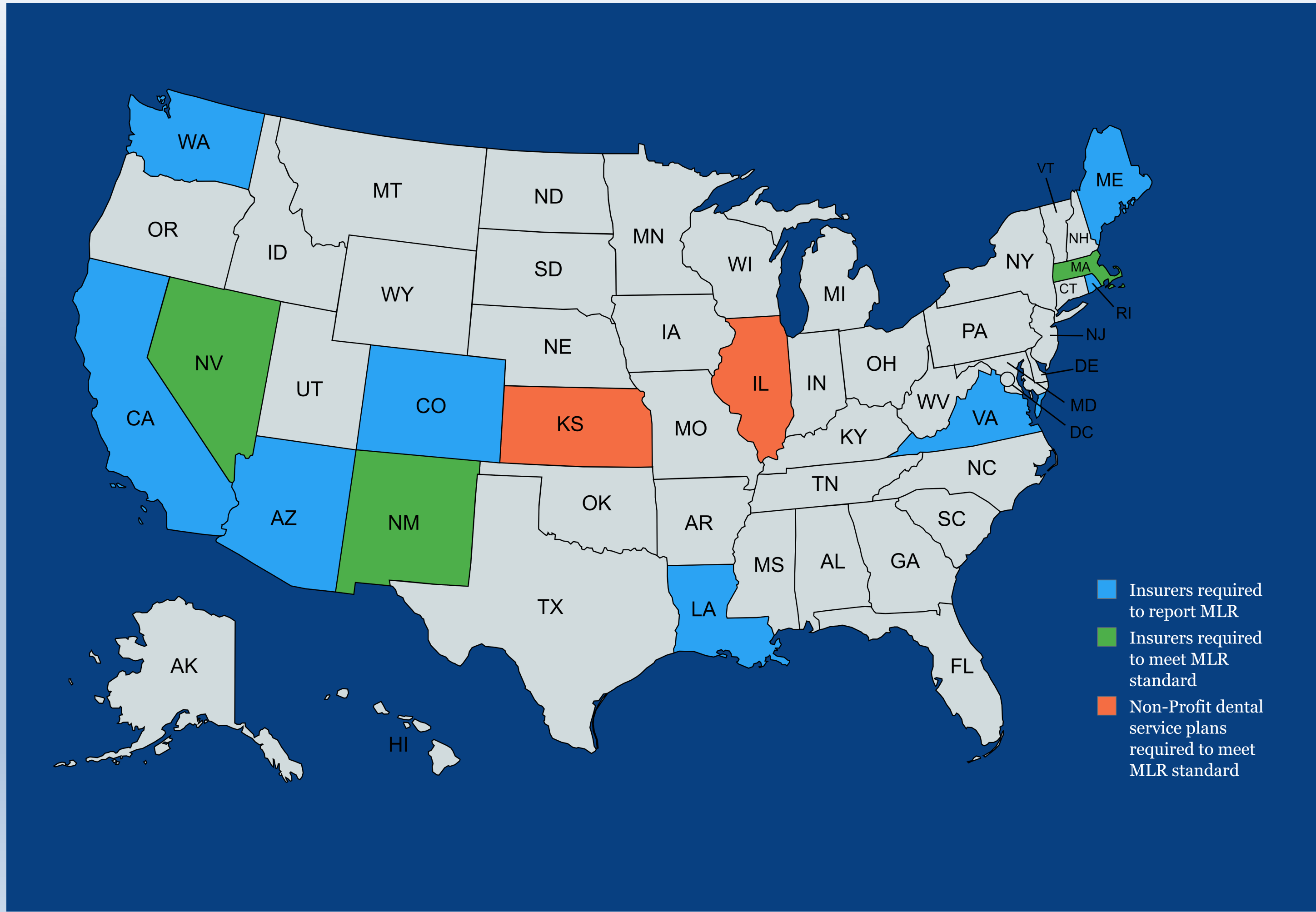
MLR BILLS FILED IN 2024



MLR LAWS ENACTED FROM 2022-2024



MLR LAWS ON THE BOOKS

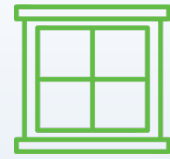




HOW DOES MLR HELP PATIENTS?

Insurance premiums should be spent on patient care

HOW DOES MLR HELP PATIENTS?



TRANSPARENCY: Patients deserve to know that their premiums are being spent on actual care.



INCENTIVE STRUCTURE: MLR incentivizes insurers to provide patients with dental care, rather than padding their own profits.



STABILITY: Insurers have many levers to use to meet MLR, which ensures sound investments in patient care.



EVEN PLAYING FIELD: Negates dental insurers' threats to raise premiums rather than control administrative spending; insurers prioritize profits over oral healthcare.

MASSACHUSETTS MLR BILL:

- **83% RULE**: Dental insurers must spend at least 83% of premiums on dental care and quality improvements.
- **REFUNDS**: If spending is below 83%, insurers must refund excess premiums to policyholders.
- **REPORTING**: Insurers must submit annual financial statements and MLR data to the state, which will be made public.
- **RATE APPROVAL**: The Commissioner can reject proposed rate increases that are excessive, inadequate, or discriminatory.
- **EXEMPTIONS**: Does not apply to self-insured plans or when the insurer acts as a third-party administrator.

WILL PREMIUMS GO UP?

- Like the Massachusetts MLR Bill, HB 1481 has provisions that protect against premium hikes.
- Section 3 of HB 1481 states that if a dental insurance company asks for a rate increase, but their administrative costs grow too fast, profits are over 2%, or they aren't spending enough on claims, the Commissioner will reject the increase as excessive.