

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

HOUSE BILL NO. 1481
(Representatives Kasper, Dockter, Koppelman, Louser, Ostlie, D. Ruby)
(Senators Bekkedahl, Cleary, Clemens, Hogan, Lee, Paulson)

AN ACT to create and enact two new sections to chapter 26.1-36.9 of the North Dakota Century Code, relating to dental insurer rate requirements and reporting; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 26.1-36.9 of the North Dakota Century Code is created and enacted as follows:

Dental insurer rates - Approval.

1. The commissioner may deem a proposed plan rate of a dental insurer to be excessive and disapprove the proposed plan rate if the dental insurer files a rate change and the:
 - a. Administrative expense component, not including taxes and assessments, increases from the previous year's rate filing by more than four percent;
 - b. Reported contribution to surplus exceeds two percent of total revenue; or
 - c. Dental loss ratio for the plan is less than seventy-five percent.
2.
 - a. If the annual dental loss ratio for a dental benefit plan is less than seventy-five percent, the dental insurer offering the plan shall refund the excess premium to covered individuals and groups. As used in this section, "dental loss ratio" means the ratio used to determine the minimum percentage of all premium funds collected by a dental insurer each year which must be spent on actual patient care rather than overhead costs. This minimum required percentage that dental benefit plans must meet for the portion of patient premiums must be dedicated to patient care rather than administrative and overhead costs or the difference must be refunded as provided in this section.
 - b. A dental insurer shall provide notice to all individuals and groups that were covered under the plan during the applicable twelve-month period that such individuals and groups are entitled to a refund on the premium, or if the individual or group remains covered by the dental insurer, that the individual or group is eligible for a credit on the premium for the following twelve-month period.
 - c. The total of all refunds issued under this subsection must equal the amount of the dental insurer's earned premium which exceeds the amount necessary to achieve a dental loss ratio of seventy-five percent, calculated using data reported by the dental insurer.
 - d. The dental loss ratio is calculated by dividing the numerator by the denominator as follows:
 - (1) The numerator is the amount spent on care, which must include:
 - (a) The amount expended for clinical dental services that are services within the code on dental procedures and nomenclature, provided to enrollees which includes payments under capitation contracts with dental providers, whose services are covered by the contract for dental clinical services or supplies covered by the contract;

- (b) Unpaid claim reserves; and
 - (c) Any claim payment recovered by insurers from providers or enrollees using utilization management efforts, which are deducted from incurred claims amounts.
- (2) Any overpayment received from a provider may not be reported as a paid claim. Overpayment recoveries received from a provider must be deducted from incurred claims amounts.
- (3) The calculation of the numerator does not include:
- (a) All administrative costs, including infrastructure, personnel costs, or broker payments;
 - (b) Amounts paid to third-party vendors for secondary network savings;
 - (c) Amounts paid to third-party vendors for network development, administrative fees, claims processing, and utilization management; or
 - (d) Amounts paid to providers for professional or administrative services that do not represent compensation or reimbursement for covered services provided to an enrollee, including dental record copying costs, attorney fees, subrogation vendor fees, and compensation to paraprofessionals, janitors, quality assurance analysts, administrative supervisors, secretaries to dental personnel, and dental record clerks.
- (4) (a) The denominator is calculated using insurer revenue.
- (b) The earned premium is all monies paid by a policyholder or subscriber as a condition of receiving coverage from the issuer, including any fees or other contributions associated with the dental benefit plan.
- (c) The denominator is the total amount of the earned premium revenues, excluding federal and state taxes and licensing and regulatory fees paid after accounting for any payments pursuant to federal law.
3. The commissioner may:
- a. Authorize a waiver or adjustment of the refund requirements in this section only if it is determined by the commissioner that issuing refunds would result in financial impairment for the dental insurer.
 - b. Adopt rules to implement and administer this section.
4. This section does not apply to a dental insurer with one thousand enrollees or less cumulative of all plans based on a three-year average.

SECTION 2. A new section to chapter 26.1-36.9 of the North Dakota Century Code is created and enacted as follows:

Dental loss ratio transparency - Annual report to the commissioner.

1. A dental insurer that issues, sells, renews, or offers a specialized dental health care service plan contract shall file a dental loss ratio report with the commissioner by April thirtieth of each year, in a manner prescribed by the commissioner.

2. The dental loss ratio report must include dental loss ratio information for the last calendar year for a dental benefit plan provided by a dental insurer and be organized by market and product type.
3. The commissioner may request the dental insurer provide data verification of any information provided by the dental insurer in the dental loss ratio report. The dental insurer shall provide data verification to the commissioner within thirty days of the request.
4. The commissioner shall make the information provided in the dental loss ratio annual reports filed under this section available on the department's website, including the aggregate dental loss ratio, in a manner that allows the public to compare dental loss ratios among dental insurers by market type.
5. For purposes of this section, "dental loss ratio" has the same meaning as in section 1 of this Act.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2027.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1481.

House Vote: Yeas 88 Nays 3 Absent 3

Senate Vote: Yeas 40 Nays 7 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2025.

Approved at _____ M. on _____, 2025.

Governor

Filed in this office this _____ day of _____, 2025,

at _____ o'clock _____ M.

Secretary of State