

Support Dental Insurance Transparency

Improve Access to Essential Dental Care in Virginia

The Issue: It is unclear how much of a patient's annual premium is spent on actual dental care.

- Transparency in how dental plans are structured and how much a plan pays out over time in claims will give employers and their employees information that can be used to make informed decisions in how they will pay for essential dental care.
- Health insurance carriers are required by the ACA to spend at least 80% of patient premiums on patient care – dental plans have no such requirement. Meanwhile, Dental insurers in Virginia are not currently required to publicly report the actual ratio of claims paid to the premium revenue they take.
- This loophole leaves small businesses and rural employers particularly at risk of partnering with hollow dental plans and no easy way to understand the true benefits employees are getting, or what portion of their premiums go to insurance company overhead/profits.
- California's reporting requirement has shown that some small group dental carriers have spent less than 50% of the premium dollars they collect on dental care in recent years.

The Solution: Support Virginia Dental Association Legislation for Dental Loss Ratio (DLR) Reporting

VDA legislation will increase transparency and accountability in dental insurance by requiring dental insurance carriers to simply disclose their actual loss ratio annually.

What will this legislation require?

- The Bureau of Insurance (BOI) will post annual dental insurance carriers actual loss ratios on their website. A five-year lookback will allow patients and employers to understand and compare trends among dental insurance companies and how much of their premium dollars are spent on dental care.
- A work group will also be convened of stakeholders including dental carriers to evaluate the need for changes regarding ethics and fairness in dental carrier business practices.

How will Virginians benefit from this legislation?

- It will enable employers and patients to make informed decisions with regards to their healthcare dollars. This bill only requires uniform reporting so that dentists and patients can make informed decisions.
- It will incentivize the dental plans to encourage patients to actually USE the benefit.
- Transparency and accountability will protect patients and provide incentives for insurers to operate efficiently.

Important Notes Regarding this Legislation

- This is NOT a bill to mandate a specific dental loss ratio – this is a simple transparency and reporting bill. This legislation should NOT be burdensome to the plans or BOI.
- The VDA team has incorporated all technical suggestions recommended by the BOI.
- This bill could significantly bolster competition in this market as setting a standard, easy-to-understand benchmark levels the playing field will incentivize dental insurers to put more premium dollars back into patient care vs. using it for overhead.
- There is a delayed effective date for this legislation.

Bottom Line: Patients Deserve the Right to Know What is Actually Spent on Dental Care

Better transparency and simple reporting = More robust dental benefits for patients and more families empowered to seek essential care.



To learn more about dental loss ratio legislation in Virginia,
please contact **Laura Givens** at givens@vadental.org or **804-523-2185**.