POLICY BRIEF

Dental Insurance Premium Transparency

Photo credit: Mickey Nye

Consumers want to know if they are getting what they paid for. Dental patients are no different – how much of our dental plan premiums are invested in dental services rather than administrative costs? Currently, dental insurers are not required to answer that question.

The Pennsylvania Dental Association supports legislation that would require dental insurers to annually report their dental loss ratio (DLR), the percentage of revenue from premiums spent on patient care, to the Pennsylvania Insurance Department.

A law establishing a DLR reporting requirement would enhance transparency for patients seeking oral health care coverage and hold dental insurers more accountable. Enacting DLR legislation is a protective measure for patients who want assurances that most of their dental benefit premium is used for treatment, not administrative costs or corporate profits.

It is estimated that **30-40% or more of patients' unspent premiums** are used to cover administrative costs rather than the actual cost of care.

Patients would benefit from knowing how much of their dental plan premium is invested in dental services rather than administrative costs. **It's time for dental insurers to be more transparent to the people they serve.**

Filing a Medical Loss Ratio (MLR) report is already required under the Affordable Care Act for insurers offering health insurance plans. A law establishing the same reporting requirement for dentistry would make dental insurers more accountable.

It is important for the Commonwealth to have a mechanism to obtain this information from dental insurers and make it accessible to the public.

Legislation requiring DLR reporting will:

- ❑ Hold insurers accountable for how dental benefit premiums are spent.
- ❑ Prioritize patient care and manage spending.
- ❑ Provide patients with better value from their dental benefit plan.
- ❑ Align dentistry with standards already set for health insurers.

Pennsylvania must act now! The shortage of dentists is already a crisis. Common sense insurance reforms like patient premium transparency will invite more dental school graduates to stay and dedicate their focus to expanding patient care.

Transparency about Dental Loss Ratio is among several reforms being championed by PDA that would improve patient access to critical dental care in the Commonwealth.

> "*Adding a requirement for a medical loss ratio for dental insurers would help promote price transparency and provide incentives to reduce administrative waste. This would help reduce costs for patients. –* ***Consumer Choice Center (CCC) Policy Note: Dental Insurance Reform***

Questions or concerns?
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