Policy Brief

April 2018

SB 1008 (SKINNER) – DENTAL PLAN VALUE

POSITION: The Chamber's Healthcare Committee voted to SUPPORT the proposal on March 14, 2018. The Chamber's Public Policy Committee voted to SUPPORT SB 1008 on April 10, 2018

STATUS: SB 1008 was introduced on February 6, 2018 by Senator Nancy Skinner. It was re-referred to the Senate Committee on Rules.

SUMMARY

Under current law, all medical insurance plans must adhere to a "Medical Loss Ratio" (MLR) standard that requires them to disclose how they spend insurance premium dollars and to spend a certain percentage directly on patient health care, instead of administrative overhead and profits. However, there is currently no equivalent MLR criteria for dental benefit plans. SB 1008 would enact a Dental Loss Ratio (DLR) standard for commercial dental benefit plans, ensuring that annual disclosers are made available to state regulators and the public regarding how patient premium dollars are spent.

INDUSTRY/IES

Any health care service plan that issues, sells, renews, or offers a specialized dental health care service plan contract covering dental services shall be required to file a DLR Ratio annual report to be transparent about administrative overhead costs. Additionally, those practicing in dentistry or working in the field may be impacted.

SUPPORTERS

California Dental Association
San Diego County Dental Society

OPPONENTS

None Reported

ARGUMENTS IN FAVOR

SB 1008 provides the same transparency and accountability required for medical plans to dental plans, allowing for value assurance for commercial dental plans.

ARGUMENTS IN OPPOSITION

SB 1008 may diminish dental plan providers from doing business in California if the minimum dental loss ratio is less than a certain specified percentage, or if plans perceive a loss in providing coverage under the new standard.

MORE INFORMATION

According to the author, who also introduced a bill in 2014 to mandate standardized reporting for dental plans, it was found that there is a wide variation in DLR depending on product type and the market, with some plans in the extreme spending as little as 4 percent on patient care. If aligned directly to MLR standards, the DLR would require large group plans (100 employees or more) to spend 85 percent of all the premium dollars on health care, and for small groups, it would be 80 percent.