

SENATE, No. 4662

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED OCTOBER 1, 2026

Sponsored by:
Senator JOSEPH P. CRYAN
District 20 (Union)

SYNOPSIS

Requires annual reporting on dental loss ratio data by dental insurance carriers; establishes minimum dental loss ratio thresholds and mandates rebates to policyholders when applicable threshold not met by carrier.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning dental loss ratios and supplementing Title 17B
2 of the New Jersey Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. This act shall be known and may be cited as the
8 “Transparency for Dental Health Care Costs Act.”

9
10 2. As used in this act:

11 “Commissioner” means the Commissioner of Banking and
12 Insurance.

13 “Dental carrier” or “carrier” means a dental insurance company,
14 dental service corporation, or dental plan organization authorized to
15 provide a dental benefits plan in New Jersey or a health benefits
16 plan in New Jersey that includes coverage for dental services.

17 “Dental benefits plan” or “plan” means a benefits plan which
18 pays or provides dental expense benefits for covered dental services
19 and is delivered or issued for delivery in the State by or through a
20 dental carrier on a stand-alone basis and shall not include plans
21 under Medicaid or NJ FamilyCare.

22 “Dental loss ratio” means percentage of premium dollars spent
23 on patient care, calculated by dividing the numerator by the
24 denominator. The numerator shall include: (1) amounts expended
25 for clinical dental services, including payments under capitation
26 contracts with providers for services covered by the contract,
27 provided that overpayment recoveries received from providers shall
28 be deducted from incurred claim amounts; (2) amounts expended on
29 activities that improve dental care quality for plan enrollees; and (3)
30 amounts expended for approved quality improvement activities as
31 defined pursuant to 45 C.F.R. Part 158. The numerator shall
32 exclude: (1) administrative costs, including but not limited to
33 infrastructure, personnel costs, or broker payments; (2) amounts
34 paid to third-party vendors for secondary network savings; (3)
35 amounts paid to third-party vendors for network development,
36 administrative fees, claims processing, or utilization management;
37 (4) overpayment recoveries received from providers or enrollees;
38 and (5) amounts paid for professional or administrative services that
39 do not represent reimbursement for covered services to an enrollee.
40 The denominator is the total amount of premium revenue,
41 excluding: (1) federal and State taxes; (2) licensing and regulatory
42 fees paid; and (3) any other payments required by federal law.

43
44 3. a. A carrier that issues, sells, renews, or offers a specialized
45 dental benefits plan policy or contract shall file an annual dental
46 loss ratio report with the commissioner that is organized by market
47 and product type and contains the same information required in the
48 2013 federal Medical Loss Ratio (MLR) Annual Reporting Form

1 (CMS-10418). The filing shall also include, but not be limited to,
2 the following data:

- 3 (1) number of covered persons, including the number of covered
4 persons who meet or exceed the annual coverage limit;
5 (2) plan cost-sharing and deductible amounts; and
6 (3) annual maximum coverage limit.

7 b. The dental loss ratio reporting year shall be for the fiscal
8 year during which dental coverage is provided by the plan. All
9 terms used in the annual report shall have the same meaning as used
10 in section 2718 of the federal "Public Health Service Act," (42
11 U.S.C. s.300gg-18) and in 45 C.F.R. Part 158.

12 c. If data verification of the carrier's representations in the
13 annual report is deemed necessary, the commissioner shall provide
14 the carrier with a notification to submit any information required by
15 the commissioner within 30 days.

16 d. By January 1 of the year after the commissioner receives the
17 dental loss ratio information collected pursuant to subsection a. of
18 this section, the commissioner shall make the information,
19 including the aggregate dental loss ratio and other data reported
20 pursuant to this section, available to the public in a searchable
21 format on a public website that allows members of the public to
22 compare dental loss ratios among carriers by plan type by:

- 23 (1) posting the information on the department's website; or
24 (2) providing the information to the administrator of an all-
25 payer health claims database. If the commissioner provides the
26 information to an administrator, the administrator shall make the
27 information available to the public in a format determined by the
28 commissioner.

29 e. The commissioner shall issue an annual report on the data
30 collected pursuant to this section to the Legislature, pursuant to
31 section 2 of P.L.1991, c.164 (C.52:14-19.1).

32

33 4. a. Beginning on January 1 of the calendar year following
34 the first annual reporting period required under this act, each dental
35 carrier shall maintain a dental loss ratio that meets or exceeds the
36 following minimum threshold:

- 37 (1) for large group dental plans, 85 percent; and
38 (2) for individual and small group dental plans, 83 percent.

39 b. A dental carrier that reports a dental loss ratio above 85
40 percent shall be required to maintain operations at that level and
41 may not reduce its dental loss ratio below 85 percent in subsequent
42 reporting years without prior approval of the commissioner.

43 c. (1) If a dental carrier fails to meet the applicable minimum
44 dental loss ratio threshold in any reporting year, the carrier shall
45 provide rebates to enrollees and group policyholders no later than
46 September 30 of the following calendar year.

47 (2) A rebate issued pursuant to paragraph (1) of this subsection
48 shall be calculated as the difference between the carrier's actual

1 dental loss ratio and the applicable minimum threshold, applied to
2 the carrier's total adjusted premium revenue for that reporting year.
3 The commissioner shall promulgate rules and regulations, in
4 accordance with section 6 of this act, regarding the method and
5 form of rebate distribution.

6 d. The commissioner shall notify a dental carrier that fails to
7 meet the applicable minimum dental loss ratio threshold within 60
8 days of receiving the carrier's annual report. The carrier shall have
9 90 days from receipt of the notice to submit a corrective action plan
10 to the commissioner for approval.

11 e. Nothing in this section shall be construed to prevent a dental
12 carrier from exceeding the applicable minimum dental loss ratio
13 threshold.

14

15 5. a. (1) The commissioner shall aggregate dental loss ratios
16 for each carrier by year pursuant to section 3 of this act for each
17 market segment in which the carrier operates. The commissioner
18 shall calculate an average dental loss ratio for each market segment
19 using aggregate data for a three-year period including data for the
20 most recent dental loss ratio reporting year and the data for the two
21 prior dental loss ratio reporting years.

22 (2) Newer experience shall be subject to reporting standards at
23 45 C.F.R. s.158.121.

24 b. (1) The commissioner shall calculate an average dental loss
25 ratio for each market segment using the data pursuant to subsection
26 a. of this section, identify as outliers dental plans that fall outside
27 one standard deviation of the average dental loss ratio, and report
28 those plans to the public pursuant to subsection d. of section 3 of
29 this act and the Legislature pursuant to subsection e. of section 3 of
30 this act.

31 (2) A carrier shall not be considered an outlier if its dental loss
32 ratio in a market segment is within three percentage points of the
33 average dental loss ratio. A higher threshold may be set in unique
34 circumstances as determined by the commissioner.

35 c. The commissioner shall investigate a carrier that reports a
36 dental loss ratio lower than one standard deviation from the
37 mathematical average, and shall take remediation or enforcement
38 actions against the carrier, including requiring the carrier to rebate,
39 in a manner consistent with 45 C.F.R. Part 158(B) all premiums
40 paid above the amounts that caused the carrier to have achieved the
41 mathematical average of the data submitted in a given year for a
42 given market segment. The rebate required pursuant to this
43 subsection shall be in addition to the rebate required pursuant to
44 subsection c. of section 4 of this act.

45 d. (1) The report required pursuant to subsection b. of this
46 section shall be organized to show year-over-year changes in a
47 carrier's outlier status relative to meeting the one standard deviation
48 outlier standard in subsection b. of this section. If the dental loss

1 ratio for a carrier in a market segment does not increase and
2 remains an outlier as described in subsection b. of this section after
3 two consecutive years, barring unique circumstances as determined
4 reasonable by the commissioner, the carrier shall be subject to
5 enhanced annual reporting for the following reporting period.

6 (2) The carrier shall submit to the commissioner a detailed plan
7 for achieving and maintaining compliance with the applicable
8 minimum dental loss ratio threshold established pursuant to section
9 4 of this act.

10 (3) The commissioner shall publish a summary of carriers
11 identified under this subsection in the annual public report required
12 under subsection e. of section 3 of this act.

13 e. A carrier subject to remediation in subsections c. and d. of
14 this section shall provide any rebate owing to a policyholder no
15 later than September 30 of the fiscal year following the year for
16 which the ratio described in subsection a. of this section was
17 calculated.

18 f. The commissioner may promulgate rules and regulations that
19 create a process to identify carriers that increase rates in excess of
20 the percentage increase of the latest dental services Consumer Price
21 Index as reported through the United States Bureau of Labor
22 Statistics.

23
24 6. a. The commissioner, pursuant to the “Administrative
25 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt
26 rules and regulations as necessary to effectuate the purposes of this
27 act. This shall include definitions of the following:

28 (1) expenditures for clinical dental services;

29 (2) activities that improve dental care quality but shall specify
30 that activities conducted by an issuer intended to improve dental
31 care quality shall not exceed five percent of net premium revenue;
32 and

33 (3) overhead and administrative cost expenditures.

34 b. The definitions promulgated pursuant to this section shall be
35 consistent with similar definitions that are used for the reporting of
36 medical loss ratios by carriers offering health benefit plans in the
37 State. Overhead and administrative costs shall not be included in
38 the numerator.

39
40 7. This act shall take effect on the first day of the third month
41 next following enactment and shall apply to all policies and
42 contracts delivered, issued, executed, or renewed on or after that
43 date, except that section 4 shall take effect on the first day of
44 January of the calendar year following the first completed annual
45 reporting period required pursuant to section 3 of this act, provided
46 that dental carriers are required to demonstrate compliance
47 beginning with the first annual report.

STATEMENT

This bill requires a carrier of dental benefits plans to file an annual dental loss ratio report with the Commissioner of Banking and Insurance that is organized by market and product type. The intent of the bill is to provide for transparency of the expenditure of dental health care plan premiums. The report is to contain the same information required in the Medical Loss Ratio Annual Reporting Form (CMS-10418). The filing is required to include, but not be limited to, the following data: (1) number of covered persons, including the number of covered persons who meet or exceed the annual coverage limit; (2) plan cost-sharing and deductible amounts; and (3) annual maximum coverage limit. By January 1 of the year after the commissioner receives the dental loss ratio information required under the bill, the commissioner is to make the information available to the public in a searchable format on a public website that allows members of the public to compare dental loss ratios among carriers by plan type.

The bill establishes the dental loss ratios carriers are to meet or exceed: for large group dental plans, 85 percent, and for individual and small group dental plans, 83 percent. A dental loss ratio exceeding 85 percent is to be maintained in subsequent report years unless prior approval is granted by the commissioner to go below that amount. A process is delineated under the bill if a dental carrier fails to meet the applicable minimum dental loss ratio threshold. This includes the carrier providing a rebate to enrollees and group policyholders.

The bill stipulates that the commissioner is to aggregate dental loss ratios for each carrier by year for each market segment in which the carrier operates. Additionally, the commissioner is to calculate an average dental loss ratio for each market segment using data provided by carriers and is to report the calculations to the public and the Legislature. If a carrier reports a dental loss ratio that is one standard deviation from the average, the commissioner is to take remediation or enforcement actions against the carrier, including through the issuance of a rebate in addition to that which is required if a carrier fails to meet the applicable threshold. If a carrier's dental loss ratio in a market segment does not increase and remains an outlier after two consecutive years, the carrier is subject to enhanced annual reporting for the following reporting period, barring unique circumstances as determined reasonable by the commissioner.