

April 24, 2023

Karma Lombard
Department of Professional and Financial Regulation
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Via Electronic Mail to Karma.Y.Lombard@maine.gov

Re: Proposed Rule Chapter 835 – Dental Loss Ratio Reporting

Dear Ms. Lombard:

United Concordia Insurance Company (“United Concordia”) respectfully submits this information in response to the Bureau of Insurance’s consideration of proposed Rule Chapter 835 regarding Dental Insurance Plan Loss Ratio Reporting. Together with its licensed subsidiaries, United Concordia serves the dental insurance needs of over 9 million members nationwide.

United Concordia agrees with the comments submitted by the National Association of Dental Plans (NADP), America’s Health Insurance Plans (AHIP) and the American Council of Life Insurers (ACLI). Although United Concordia has a limited membership presence in Maine, we also support the proposed rule and share the goal of promoting transparency. In addition to the information submitted by the NADP, AHIP and ACLI, we provide the following information for your consideration which we believe will improve the consistency and value of loss ratio reporting data collected pursuant to the rule.

Section 4. Definitions

United Concordia recommends the removal of “commission” from the definition of “Administrative Cost Expenditures” and that the Bureau add a definition of “Premium Revenue” that excludes commissions. Title 24-A MRSA §4319-B (5.) requires the superintendent to define administrative cost expenditures to be consistent with similar expenditures used for reporting of medical loss ratios by health plans. The section (5.) then goes on to provide examples of those expenditures. We believe this language provides the Bureau with the discretion to determine the appropriate expenditures for dental plan reporting. In addition, the absence of any specific definition of “Premium Revenue” in Title 24-A MRSA §4319-B similarly provides the Bureau with the discretion to exclude commissions from premium revenue reporting.

Similar to federal and state taxes, commissions are added to dental premiums after the premium rate is calculated. Commissions are treated as a pass-through expense because they are a fee agreed to between the employer group and the broker and are not determined by the dental carrier. They are the obligation of the employer and for administrative ease are added to the premium bill and passed from the employer through the dental carrier to the broker. We encourage the Bureau to recognize the essential role of brokers in delivering dental benefits to employers, educating employers and their workers on their dental coverage choices and then servicing the products they choose. United Concordia is concerned that not allowing an exclusion for commissions from premium revenue will result in the misrepresentation of the reported dental loss ratio and ultimately pressure dental carriers to reduce commissions to decrease the amount of premium reported. This could ultimately drive brokers out of the dental insurance market, shrinking carriers’ distribution channels and reducing the valuable services that brokers provide to employers today.

Section 5. Activities that Improve Dental Care Quality

United Concordia recommends the replacement of the word “shall” with “may” in subsection (1.) of this Section in order to ensure that the rule does not require dental plans to implement the quality improvement activities identified in the rule. Such a requirement would be beyond the scope and authority provided by Title 24-A MRSA §4319-B which only indicates that the superintendent “define” activities that improve dental care quality.

We also recommend that the rule remove “fraud prevention activities” from the list of activities that give rise to administrative expenditures included under Section 5.(2.)(d) of the rule. Rather, “fraud prevention activities” should be specifically included as an activity that improves dental care quality. Although Title 24-A MRSA §4319-B limits the numerator of the loss ratio calculation to claims recovered through fraud, prevention of fraud, waste and abuse (FWA) is a critical function of insurers, promotes quality care, contributes to consumer savings and helps control dental care costs. Including investments in FWA prevention activity along with fraudulent claim recoveries within quality would promote dental plan FWA activities and recognize that it’s an integral component of a plan’s quality improvement activities.

We suggest that the Bureau add “health information technology spending” to Section 5 (Activities That Improve Dental Care Quality) to be consistent with the Affordable Care Act (ACA). The statute (Title 24-A MRSA §4319-B) lists health information technology as an example of an activity that promotes dental care quality, and its specific inclusion would recognize the increased use and importance of technology in quality improvement activities.

Reporting Template

The Bureau should consider defining a claim run-out period for purposes of loss ratio reporting, similar to what is permitted under the ACA. For claims, United Concordia proposes that a three (3) month period following the end of the calendar year would be sufficient. This would promote consistency in reporting and ensure a level playing field when comparing the plan loss ratios. The Bureau could also consider a run-out period for premium, which is at the option of the plan under the ACA.

Lastly, we have concerns regarding reporting national data for the market segment of 1,000 to 75,000. Imposing such a requirement is inconsistent with the authority granted under Title 24-A MRSA §4319-B Sec 2 which limits application to only plans delivered and issued in Maine and excludes plans issued to policyholders outside of the state. Furthermore, each state has its own standards for reporting and data collection. To require plans to report national data will create an administrative burden and dilute the value of the loss ratio reporting data collected which is intended by statute to be specific to Maine.

We appreciate your consideration of our comments. United Concordia would welcome the opportunity to discuss this further should you have questions about the information provided.

Respectfully submitted,



Bernard J. LaPine
Directory, Regulatory and Legislative Affairs
United Concordia Dental