Resolution No. [Resolution Number] New

Report: N/A Date Submitted: 04/03/2025

Submitted By: Dr. Spencer Bloom, Delegate, Illinois

Reference Committee: D (Legislative, Governance and Related Matters)

Total Net Financial Implication: None Net Dues Impact: None

Amount One-time: N/A Amount On-going: N/A

ADA Strategic Forecast Outcome: Public Profession: Increase and improve dental coverage and access.

FORMAL WITHDRAWAL FROM THE NADP/NCOIL DLR MODEL AGREEMENT

Background: In **January 2024**, the ADA entered into an agreement with the National Association of Dental Plans (NADP) and the National Council of Insurance Legislators (NCOIL) to develop a model dental loss ratio (DLR) now known as the "NCOIL DLR."

In **October 2024**, the ADA House of Delegates (HOD) adopted Resolution 306H-2024 (Appendix 1), which conflicts with the NCOIL DLR. While there are numerous conflicts between the NCOIL DLR and Resolution 306H-2024, the most significant discrepancies are in two key calculated definitions, as outlined in the table below:

	HOD RESOLUTION 306H-2024	NCOIL MODEL DLR	NCOIL IMPLICATION
DLR Numerator	Excludes Broker Fees (P19-20)	Permits Broker Fees (Section 3(d)(ii))	**INFLATED NUMERATOR** (False DLR)
DLR Denominator	Excludes Nonprofit & Charitable Contributions (1st Resolving Clause)	Permits Nonprofit & Charitable Contributions (Section 3(d)(i)(B))	**DEFLATED DENOMINATOR** (False DLR)
Source	2024 Unofficial Actions of the House of Delegates, p 19-20	ADA-NADP-NCOIL Model Statement, January 23, 2024, p 2-4	

Given that these definitional differences will allow any insurer in an NCOIL DLR state to legally report an inflated DLR, and given that the NCOIL DLR model is in conflict with HOD Resolution 306H-2024, we ask the ADA to formally withdraw from the NADP/NCOIL DLR Model Agreement.

Since its release, the NCOIL model has been weaponized by insurers to oppose stronger DLR legislation in multiple states. In Rhode Island, insurer representatives used ADA's involvement in the NCOIL agreement to argue against efforts to establish a meaningful dental loss ratio. This fact was documented in a public interview with the president of the Rhode Island Dental Association, who explained how the model's language made it impossible to get a meaningful DLR. Similar tactics have been reported in multiple states. These real-world consequences show that the NCOIL model is not a neutral framework, but a tool that undermines ADA's own adopted policy and member-led advocacy efforts.

Resolution

Resolved, that within thirty (30) days of the close of the 2025 House of Delegates, the ADA Board of Trustees and Executive Director shall issue a formal, unambiguous withdrawal notice to NADP, NCOIL, state dental societies, and ADA members, explicitly stating that the ADA no longer agrees with the January 2024 NCOIL DLR Model, and be it further

Resolved, that ADA shall not enter into, renew, or extend any agreements involving DLR without prior House of Delegates review and approval.

Appendix 1**306H-2024. Resolved,** that the policy titled Medical (Dental) Loss Ratio (*Trans.*2015:244; 2019:262) be amended as follows (additions are underlined; deletions are ~~stricken~~).

Medical (Dental) Loss Ratio

Resolved, that the ADA supports the concept of a "Medical Loss Ratio" for dental plans defined as the proportion of premium revenues that is spent on clinical services, specifically:

(A) The numerator is the sum of (1) the amount paid for clinical dental services provided to enrollees and (2) the amount paid to providers on activities that improve oral health through clinical services for plan enrollees.

(B) The denominator is the total amount of premium revenue, excluding only (1) federal and state taxes, (2) licensing and regulatory fees paid, and (3) any other payments required by federal law,

and be it further

Resolved, that states pursuing MLR, refer to the definitions of each of the amounts referenced in the numerator and denominator within the ADA's Glossary of Dental Administrative Terms maintained by the ADA Council on Dental Benefit Programs (CDBP), and be it further

Resolved, that dental plans, both for profit and nonprofit should be required to make information available to the general public and to publicize in their marketing materials to plan purchasers and in written communications to their beneficiaries the percentage of premiums that fund treatment and the percentage of premiums that go to administrative costs, promotion, marketing and profit, or in the case of nonprofit entities, reserves, and be it further

Resolved, that the ADA support legislative efforts to require dental benefit plans to file a comprehensive MLR report annually, which contains the same information required in the 2013 federal MLR Annual Report Form (CMS-10418) along with number of enrollees, the plan cost-sharing and deductible amounts, the annual maximum coverage limit and the number of enrollees who meet or exceed the annual coverage limit and to establish a specific loss ratio for dental plans in each state, and be it further

Resolved, that a "specific loss ratio" be calculated by each state as the average dental loss ratio for each market segment (large group and small/individual groups as defined within the state). If the average loss ratio is less than 85% for large group plans and 83% for small/individual groups, then states should aspire to establish a mechanism to have MLR improved to at least this benchmark over time. For those carriers reporting MLR above 85%, such carriers should be required to maintain operations at that level, and be it further

Resolved, that when a carrier fails to meet the MLR, the carrier be required to issue rebates to plan purchasers, and be it further

Resolved, that instituting an MLR should not result in premium rate increases in excess of the percentage increase of the latest dental services Consumer Price Index as reported through the US Bureau of Labor Statistics.