

Alaska State Legislature

Session:
Alaska State Capitol
Juneau, AK 99801 1182
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Representative Justin Ruffridge

District 7 - Kenai/Soldotna

HB 273 Ver A Sponsor Statement

“An Act relating to direct health care agreements; relating to dental health care insurance plans and dental loss ratios; and providing for an effective date.”

House Bill 273 addresses two key areas of dental care policy in Alaska: direct health care agreements and transparency in dental insurance.

First, the bill amends Alaska law to expressly authorize the provision of dental care services through direct health care agreements. These agreements are written contracts between a dentist and a patient that specify the dental services to be provided in exchange for a periodic fee. House Bill 273 clarifies required contract elements and consumer disclosures, applies existing consumer protection laws governing unfair trade practices, and maintains current eligibility limits by excluding individuals who are eligible for Medicaid or the Children’s Health Insurance Program.

Second, the bill establishes a reporting requirement for dental health care service plans by creating a transparency framework focused on dental loss ratios. A dental loss ratio is a standardized measure that reflects the proportion of premium dollars spent on patient care compared to administrative costs. While medical insurance carriers already report this information under federal law, dental insurers are not subject to comparable reporting requirements. House Bill 273 addresses this gap by applying consistent federal definitions and methodologies to dental insurance reporting.

The bill is intentionally measured in scope. It does not mandate how insurers must allocate spending, nor does it impose rate controls, taxes, or new fees. Instead, the bill establishes a reporting requirement that allows the Division of Insurance to collect and publish aggregated information in a publicly accessible, searchable format. Over time, the director may review multi-year data to identify significant variances and take action consistent with federal standards.

By enhancing transparency and supporting informed oversight, HB 273 strengthens Alaska’s approach to dental care delivery and dental insurance regulation without disrupting existing coverage or imposing unnecessary regulatory burdens. Thank you for your thoughtful consideration of this legislation.

HOUSE BILL NO. 273

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE RUFFRIDGE

Introduced: 1/23/26

Referred: Health and Social Services, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to direct health care agreements; relating to dental health care**
2 **insurance plans and dental loss ratios; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 21.03.025(a) is amended to read:

5 (a) A health care provider or health care business and a patient or the
6 representative of a patient may enter into a direct health care agreement. The
7 [HEALTH CARE] services provided under a direct health care agreement are limited
8 to dental care services and the type of health care services that a primary care
9 provider may provide to a patient. A patient is not eligible to enter into a direct health
10 care agreement under this section if the patient is eligible to receive assistance under
11 AS 47.07 (Medical Assistance for Needy Persons) or AS 47.08 (Assistance for
12 Catastrophic Illness and Chronic or Acute Medical Conditions).

13 * **Sec. 2.** AS 21.03.025(c) is amended to read:

14 (c) A direct health care agreement must

(1) describe the **dental care services or** health care services that the health care provider or health care business makes available to the patient in exchange for payment of a periodic fee and each location at which the **dental care services or** health care services are available;

(2) specify

(A) the amount of the periodic fee a patient or the representative of a patient pays in exchange for the **dental care services or** health care services that the health care provider or health care business makes available to the patient;

(B) the period covered by the periodic fee under (A) of this paragraph; and

(C) additional fees that the health care provider or health care business may charge in addition to the periodic fee, including cancellation fees;

(3) identify and include contact information for a representative of the health care provider or health care business that is responsible for receiving and addressing

(A) a complaint made by a patient relating to the agreement;
and

(B) a request made by a patient to amend the agreement, including a patient's request to change the name of the representative of the patient or the patient's mailing address, physical address, telephone number, electronic mail address, or other personal information;

(4) prominently state that the patient is not entitled to the protections under AS 21.07 (Patient Protections Under Health Care Insurance Policies and Prior Authorizations).

* Sec. 3. AS 21.03.025(m) is amended to read:

(m) A direct health care agreement and a health care provider or health care business providing **dental care services or** health care services under a direct health care agreement are subject to AS 21.36 (Trade Practices and Frauds) to the extent applicable and when not in conflict with the express provisions of this section.

1 * **Sec. 4.** AS 21.03.025(o) is amended to read:

2 (o) A health care provider or health care business may decline to enter into a
 3 direct health care agreement with a new patient if the health care provider or health
 4 care business

5 (1) is unable to provide to the patient the **dental care services or**
 6 health care services the patient requires; or

7 (2) does not have the capacity to accept new patients.

8 * **Sec. 5.** AS 21.03.025(p) is amended to read:

9 (p) A health care provider or health care business may terminate a direct
 10 health care agreement with an existing patient based on the patient's health status only
 11 if the health care provider is unable to provide to the patient the **dental care services**
 12 **or** health care services the patient requires or in accordance with this section.

13 * **Sec. 6.** AS 21.03.025(r)(1) is amended to read:

14 (1) "direct health care agreement" means a written agreement between
 15 a health care provider or health care business and a patient or the representative of a
 16 patient to provide **dental care services or** health care services in exchange for
 17 payment of a periodic fee;

18 * **Sec. 7.** AS 21.96 is amended by adding new sections to read:

19 **Sec. 21.96.210. Dental loss ratio report.** (a) An insurer that offers, issues for
 20 delivery, delivers, or renews in this state a specialized dental health care service plan
 21 shall annually file a dental loss ratio report with the director that is organized by
 22 market and product type, contains the same information required in the federal Centers
 23 for Medicare and Medicaid Services medical loss ratio annual reporting form for the
 24 2013 medical loss ratio reporting year, and includes the number of enrollees, the plan
 25 cost-sharing and deductible amounts, the annual maximum coverage limit, and the
 26 number of enrollees who meet or exceed the annual coverage limit. The report must
 27 contain information for the most recent complete fiscal year during which the plan
 28 provided dental coverage.

29 (b) All terms used in the dental loss ratio report must have the same meaning
 30 as the terms used in 42 U.S.C. 300gg-18 and supporting federal regulations.

31 (c) If the director considers it necessary to verify the data of the insurer in the

1 dental loss ratio report, the director shall notify the insurer and allow the insurer 30
2 days to submit any requested information.

3 (d) By January 1 of the year after the director receives the dental loss ratio
4 report, the director shall make the information, including the aggregate dental loss
5 ratio and other data reported under this section, available to the public in a searchable
6 format that allows members of the public to compare dental loss ratios among carriers
7 by plan type by posting the information on the division's Internet website or providing
8 the information to the administrator of an all-payer health claims database. If the
9 director provides the information to the administrator, the administrator shall make the
10 information available to the public in a format determined by the director.

11 (e) The director shall file a report with the data collected under this section
12 with the senate secretary and the chief clerk of the house of representatives and notify
13 the legislature that the report is available. The report must list plans identified as
14 outliers under AS 21.96.215(b), and show changes from year to year in the status of
15 insurers' plans relative to meeting the standard in AS 21.96.215(b).

16 (f) In this section, the percentage of premium dollars spent on patient care is
17 calculated by dividing the numerator by the denominator, where

18 (1) the numerator is the sum of the amount incurred for clinical dental
19 services provided to enrollees, the amount incurred on activities that improve dental
20 care quality as defined by the commissioner in regulation not to exceed five percent of
21 net premium revenue, and other incurred claims as defined in 45 C.F.R. 158.140(a);
22 overhead and administrative costs, as defined by the commissioner in regulation, may
23 not be included in the numerator; and

24 (2) the denominator is the total amount of premium revenue, excluding
25 federal and state taxes, licensing and regulatory fees paid, nonprofit community
26 benefit expenditures as defined in 45 C.F.R. 158.162(c), and other payments required
27 by federal law.

28 (g) In this section,

29 (1) "dental health care service plan" means a plan that provides
30 coverage for dental health care services to enrollees in exchange for premiums; "dental
31 health care service plan" does not include Medicaid or Children's Health Insurance

1 Program plans;

2 (2) "dental loss ratio" means the percentage of premium dollars spent
3 on patient care, as calculated under (e) of this section;

4 (3) "insurer" means a dental insurance company, dental service
5 corporation, dental plan organization authorized to provide dental benefits, or a health
6 benefits plan that includes coverage for dental services.

7 **Sec. 21.96.215. Outliers and remediation.** (a) The director shall aggregate the
8 dental loss ratios for each insurer by year using the data provided under AS 21.96.210
9 for each market segment in which the insurer operates. The director shall calculate an
10 average dental loss ratio for each market segment using aggregate data for a three-year
11 period, including data for the most recent dental loss ratio reporting year and the data
12 for the previous two dental loss ratio reporting years. If 50 percent or more of the total
13 earned premium during a reporting year is attributable to policies newly issued in that
14 reporting year, the director may exclude the experience of these policies in calculating
15 an insurer's aggregate dental loss ratio for that reporting year. The director shall add
16 the excluded experience to the experience reported in the following reporting year.

17 (b) The director shall identify as outliers dental health care service plans that
18 fall outside one standard deviation of the average dental loss ratio for that market
19 segment. An insurer is not an outlier under this subsection if the dental loss ratio in a
20 market segment is within three percentage points of the average dental loss ratio. A
21 higher threshold may be set by the director as determined reasonable by the director.

22 (c) The director shall investigate an insurer that reports a dental loss ratio
23 lower than one standard deviation from the mathematical average and may take
24 remediation or enforcement actions against the insurer, including ordering the insurer
25 to rebate, consistent with federal law, premiums paid above amounts that would have
26 caused the insurer to have achieved the mathematical average of the data submitted in
27 a given year for a given market segment.

28 (d) If the dental loss ratio for an insurer in a market segment does not increase
29 and remains an outlier under (b) of this section after two consecutive years, the
30 director shall, except under reasonable circumstances as determined by the director,
31 subject the insurer to a minimum dental loss ratio percentage by market segment. The

1 director shall adopt regulations establishing the dental loss ratio percentage based on,
2 at minimum, the average of existing insurer loss ratios by market segment in the state
3 effective not earlier than 42 months after the insurer is determined to be an outlier
4 under this section.

5 (e) An insurer subject to remediation under (c) or (d) of this section shall
6 provide a rebate owed to a policyholder as required by the director. The director may
7 establish alternatives to providing rebates, including premium reductions in the
8 following benefit year.

9 (f) The director may adopt regulations to create a process to identify insurers
10 that increase rates more than the percentage increase of the latest dental services
11 Consumer Price Index for all urban consumers for urban Alaska as reported by the
12 United States Bureau of Labor Statistics.

13 (g) In this section,

14 (1) "dental health care service plan" has the meaning given in
15 AS 21.96.210;

16 (2) "dental loss ratio" has the meaning given in AS 21.96.210;

17 (3) "insurer" has the meaning given in AS 21.96.210.

18 * **Sec. 8.** This Act takes effect January 1, 2027.

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Representative Justin Ruffridge

District 7 - Kenai/Soldotna

HB 273 Ver A

Section 1

AS 21.03.025(a) Adds “dental care services” to the direct health care agreement section.

Section 2

AS 21.03.025(c) Adds “dental care services” to direct health care agreement section.

Section 3

AS 21.03.025(m) Adds “dental care services” to direct health care agreement section that is subject to AS 2136 (Trade Practices and Frauds).

Section 4

AS21.03.025(o) Adds “dental care services” to direct health care agreement section.

Section 5

AS 21.03.025(p) Adds “dental care services” to direct health care agreement section.

Section 6

AS 21.03.025(r) (1) Adds “dental care services” under the definition of direct health care agreement section.

Section 7

AS 21.96.210 New section is added to current AS 21.96 regarding dental loss ratio report is now required to be filed with the director. New section lists what shall be included in the report.

(d) States that the director shall make the report public in a searchable database

(e) The director shall file the report with the Senate secretary and the chief clerk of the House, and notify the legislature that the report is available.

(f) (1) (2) (3) Defines how the percentage of premium dollars spent on patient care is calculated.

(g) (1) (2) (3) Dental health care service plan is defined.

Sec. 21.96.215 instructs the director how to calculate the data, and to aggregate the dental loss ratios for each insurer using data provided under AS 21.96.210 for each market segment in which the insurer operates.

- (b) Instructs the director how to determine whether a dental health care service plan is considered an outlier.
- (c) States when the director shall investigate an insurer based on deviation from averages from other dental health care service plans.
- (d) Steps the director shall take if an insurer remains an outlier after two consecutive years.
- (e) Lists steps the director may take for an insurer who is subject to remediation.
- (f) The director may adopt regulations creating a process to identify insurers that increase rates more than the latest dental services Consumer Price Index.

(g)(1)(2)(3) Definitions

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 273
Fiscal Note Number:
() Publish Date:

Identifier: HB273-DCCED-DOI-01-30-26
Title: DENTAL INSURANCE & DIRECT CARE AGREEMENTS
Sponsor: RUFFRIDGE
Requester: (H) HOUSE & SOCIAL SERVICES

Department: Department of Commerce, Community and Economic Development
Appropriation: Insurance Operations
Allocation: Insurance Operations
OMB Component Number: 354

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates				
			FY 2027	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services		146.2			146.2	146.2	146.2
Travel		10.0			10.0	10.0	10.0
Services		75.0			100.0	45.0	45.0
Commodities		10.0			2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating		241.2		0.0	258.2	203.2	203.2

Fund Source (Operating Only)

1156 Rcpt Svcs (DGF)	241.2	258.2	203.2	203.2	203.2	203.2
Total	241.2	0.0	258.2	203.2	203.2	203.2

Positions

Full-time	1.0	1.0	1.0	1.0	1.0	1.0
Part-time						
Temporary						

Change in Revenues

None							
Total	0.0						

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/29

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Heather Carpenter, Division Director
Division: Division of Insurance
Approved By: Hannah Lager, Administrative Services Director
Agency: Department of Commerce, Community, and Economic Development

Phone: (907)465-2518
Date: 01/30/2026
Date: 01/30/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB 273

Analysis

HB 273 allows dental care services to be provided under direct health care agreements, which currently are only allowed to provide primary care. Under the bill, dental direct health care agreements, and the providers or businesses that enter into them, are subject to the same requirements that apply to primary care direct health care agreements.

The bill creates new requirements in Title 21 for insurers offering dental plans. It requires the Division of Insurance to set up a process for insurers to submit an annual dental loss ratio (DLR) report. The division will then have to analyze the data for outliers, and make aggregate data publicly available for consumers to compare dental loss ratios across carriers by plan type. The proposed bill gives the director authority to require remediation activities by an insurer that remains an outlier for two consecutive years.

If this legislation passes, the Division of Insurance will require one full-time position to oversee implementation of this legislation for the dental loss ratio (DLR) program, as well as associated support costs. A breakout of the fiscal impact of this legislation is outlined below.

Personal Services:	\$146.2	Insurance Specialist 1/2, range 17/19, located in Juneau.
Travel:	\$ 10.0	In-state travel and relevant training/conferences.
Services:	\$ 25.0	Annual statewide and allocated core services costs.
	\$ 50.0	Portal access for insurers to submit data; database to store and manage information; and public facing webpage with search and sort capabilities drawing from the database. System will be built and further developed by department programmers in FY2027 and FY2028.
	\$ 20.0	Ongoing system maintenance and hosting costs in FY2029 and future.
	\$ 25.0	Department of Law regulations review and public hearings for FY2028 only. Regulations will be developed and noticed after the division collects first year data.
Commodities:	\$ 10.0	One-time setup costs for equipment and space in FY2027.
	\$ 2.0	Ongoing supply and equipment costs

Initial regulations as required by this legislation are estimated to be adopted by January 1, 2029.

HB 273

Dental Care Agreement
Dental Loss Ratio

HB 273

- HB 273 Two components:
 - Direct Health Care agreements- dental care services
 - Dental Loss Ratio
- More transparency
- More accountability
- More value for Alaskan dental patients

Dental Care

- Oral health prevention is key to avoiding oral diseases
- Dental coverage is a key driver for patients to seek dental care
- Dental plans have limited oversight
- With typical dental insurance plans, patients are not the customers...the customers are actually the employers.
- Very difficult, if not impossible, for patients to determine the true value of their coverage until months or years later when a claim is denied.

HB 273: Direct Health Care Agreements

- Direct Health Care Agreements (DHCA) established in Alaska statute AS 21.03.025 in 2024 through SB 45.
- Direct Health Care agreements
 - Contractual agreement between the provider and the patient
 - Flat fee (typically monthly) in exchange for services
 - No third-party middleman under a DHCA
- HB 273 seeks to add Dental Care Services to DHCA statutes

HB 273 Dental Loss Ratio

- 13 states have enacted Dental Loss Ratio (DLR) legislation
- 4 of those states have specified percentages:
 - 75%: Maine (2020)
 - 75%: North Dakota (2025)
 - 80%: New Mexico (2021)
 - 83%: Massachusetts (2019)

HB 273 Dental Loss Ratio

- Dental insurance plans file a report with the AK Division of Insurance
 - Number of enrollees
 - Plan cost-sharing and deductible amounts
 - Annual maximum coverage limit
 - Number of enrollees who meet or exceed the annual coverage limit
- Searchable database available to the public to allow comparisons of DLR's
- DLR reports are filed with the legislature, with year-to-year changes

HB 273 Dental Loss Ratio

- Division of Insurance calculates the Dental Loss Ration (DLR)
- Division determines if the DLR falls under specified range, and steps the Division can take if the insurer is considered an outlier

HB 273 Summary

- **Direct Health Care Agreements already exist**
 - Adding Dental Care Services plans
- **Dental Loss Ratio**
 - Setting up a transparent process to see that dental insurance companies spend most of your premium dollars on actual dental care, not on overhead costs or profit.

Thank you

Questions on HB 273?

Representative Justin Ruffridge

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4300 B Street, Suite 410 Anchorage Alaska 99503 | 907.563.3003 | info@akdental.org | www.akdental.org

On behalf of the Alaska Dental Society (ADS), I write to express our strong support for HB 273 Dental Insurance & Direct Care Agreements which establishes dental loss ratio reporting and authorizes direct dental care agreements in Alaska. Together, these provisions promote transparency, strengthen patient value, and expand access to affordable dental care.

Dental loss ratio reporting helps ensure that a greater share of premium dollars is directed toward patient care rather than administrative costs. For patients and families, this means improved accountability, clearer expectations of coverage value, and better access to preventive and restorative services. Medical loss ratio standards have long existed under federal law for medical insurance and have proven effective in improving transparency and consumer value. HB 273 applies this well-established framework to dental coverage, providing similar consumer protections without creating a new or untested regulatory model.

From a patient perspective, dental loss ratio transparency supports greater value for premium dollars, improved access to necessary care, increased transparency when comparing plans, and stronger competition among insurers.

ADS also supports the bill's authorization of direct dental care agreements that are not regulated as insurance. This approach is particularly important in dentistry, where many patients do not have employer-sponsored dental coverage and must manage costs independently. Direct dental care agreements allow patients and providers to enter into voluntary, transparent arrangements for defined services in exchange for a periodic fee, expanding patient choice and affordability.

HB 273 would allow more Alaskans to access routine and preventive dental care, provide predictable and reduced costs for patients without dental insurance, and encourage continuous care that improves long-term oral health outcomes. Allowing dentists to contract directly with patients also reduces administrative overhead tied to insurance billing, enabling savings to be passed directly to patients while maintaining high-quality care.

Taken together, the provisions in HB 273 create a balanced, patient-centered framework that improves transparency, strengthens competition, supports provider sustainability, and expands access to oral health care in Alaska.

Thank you for your consideration of this legislation. The Alaska Dental Society appreciates the opportunity to share our perspective and stands ready to assist as HB 273 moves forward.

Sincerely,

A handwritten signature in black ink that reads "Heather A. Willis".

Dr. Heather Willis, DDS
Alaska Dental Society | Past ADS President