WASHINGTON STATE UNIVERSITY

THE WILLIAM D. RUCKELSHAUS CENTER

UNIVERSITY OF WASHINGTON

SSB 5351 Collaborative

(Dental Loss Ratio and Relative Payment to Providers Based on Network Status)

Meeting Summary from Kickoff Meeting October 30, 2025

Columbia Room | Washington State Capitol Campus | Olympia, WA

Member Attendance: *see Appendix to these notes*

Ruckelshaus Center Facilitation Team: Amanda Murphy, Chris Page, Gaby Diamond

Meeting Goals:

- Begin to get to know one another and develop common understanding of purpose, roles, and responsibilities of the SSB 5351 Collaborative
- Hear findings from the convening assessment and create shared understanding about what it means to participate in a collaborative process
- Review, discuss, and agree on operating procedures including group roster, group agreements (attached), and key process elements
- Hear presentation on (and begin to create shared understanding about) dental loss ratio
- Identify what additional information is needed about dental loss ratio to ensure there is enough shared understanding to enable productive dialogue and problem solving
- Discuss draft schedule and workplan, including potential approach to reimbursement issues

Welcome and Introductions

Amanda Murphy (Ruckelshaus Center Senior Facilitator) welcomed the members to the first meeting then reviewed the meeting goals. She asked members to introduce themselves with their name and affiliation and to respond to the following question: *"Imagine this is the last meeting of this group and you are celebrating the successful work you have done together. What does that success look like? What will you have accomplished that would leave you feeling this effort was successful?"* Member responses included:

- Everyone ends up a little unhappy at the end, but there is shared understanding, and the group can move forward constructively.
- Ensuring patient perspective is first and foremost. The dental industry serves patients.
- Ensuring access to affordable dental services, especially for older adults.
- Dental practices that take insurance remain sustainable and serve patients to their best ability.
- Agreement or resolution that retains strong patient protection and a competitive marketplace.

- Better access to patent care with more consideration of denturists.
- Compromise where everyone gains something, making sure patients with dental insurance can access denturists.
- All businesses run well, and patients are served appropriately.
- Consumers at the focus, making sure they have affordable, accessible and good care.
- Building lasting relationships with those in the room.
- Having time and commitment to fully understand all sides and find consensus.
- Collective understanding of dental loss ratio—how it differs from medical and what it looks like in WA—while along the way the group maintains decorum.
- Regulation and implementation that will provide transparency, maintain access, and plans that can be implemented without too much administrative burden.

DISCUSSION GROUP AGREEMENTS

Chris Page (Ruckelshaus Center Senior Facilitator) introduced the concept of group agreements and highlighted a handful of selected ground-rules. He then asked if members had questions or suggested modifications.

Members discussed the group agreements and offered the following modifications:

- Do all parties have key leadership/decision makers at the table? If not, it will be important that members keep their leadership informed on the work of the group, including emerging decisions and agreements.
    - This may be articulated in more detail in the operating procedures but can also be added to the group agreements.
- Is there a way for someone to signal that a comment was hurtful or problematic to them?
    - Past groups have used "Ouch" for a pause or break in conversation.

Amanda asked the group if there was anything else to add and, when members agreed that the group agreements were acceptable with these two modifications, congratulated the Collaborative on its first decision. Amanda reminded members that the group agreements are a "living document" and the group can decide to modify them as needed at future meetings.

> ***Group Decision:*** *The Facilitation Team will draft language to address the two modifications above and will bring this draft language back to the group to finalize at the November meeting.*

PURPOSE AND GOALS OF THIS COLLABORATIVE

Amanda briefly walked through the purpose and goals of SSB 5351:

The Washington State Legislature, via Substitute Senate Bill 5351, directed the office of the insurance commissioner to "contract with the William D. Ruckelshaus Center to:

Design, convene, and facilitate a collaborative forum with participation from:

- The Washington state dental association;
- A representative of the Washington denturist association;
- Dental insurance carriers, including those carriers with a significant commercial market share in Washington state;

- Consumer representatives;
- The office of the insurance commissioner; and
- Other relevant interested organizations as appropriate;

Facilitate discussions to address issues related to:

1. Dental loss ratio; and
2. Relative payment for dentists or denturists based upon their provider network status including, but not limited to, payment based on the usual and customary rate; and

The William D. Ruckelshaus Center shall:

- Provide quarterly progress updates to legislative members designated by the chairs of the appropriate legislative committees;
- Submit a final report, summarizing findings, areas of agreement, and recommendations for legislative or regulatory action, to the legislature by June 30, 2026."

Questions

- What is OIC's role in this process and report?
    - OIC representatives will serve as Ex-officio members of the group. They will help with logistics, hosting, information resources, and providing information and perspective as the state regulatory agency.

FUNDAMENTALS OF A COLLABORATIVE PROCESS

Amanda provided members with a brief presentation about collaborative processes *(see meeting PowerPoint (online), slides 6-25)* to help build understanding about how this process will unfold. Key points from the presentation included:

- Each collaborative process is unique and must be custom designed to meet the unique needs of the situation and the group. However, there are some core steps and stages to these processes. This includes a convening assessment, joint fact-finding, problem-solving, and decision-making.
- Core Values of Collaborative Processes include mutual understanding, full participation and cooperation, shared responsibility, and inclusive solutions.
- Each member acts as the voice of those they represent; they need to speak up to give those constituents a voice. Amanda and Chris will call on members to provide their constituency perspectives if they are not voiced.
- Pyramid of Satisfaction: participants in collaboration need to feel satisfied on three levels: procedural, relational, and substantive. Even if a substantive solution is found, if the relationships or process do not feel right to all key parties, the decision may not be supported.
- Sam Kaner's *Diamond of Participatory Decision Making* is a great model that describes the non-linear process stages that groups naturally go through when tackling complex problems.
    - <u>Business as Usual:</u> For simple problems with clear solutions, decisions are made quickly and easily.

    - Divergent: When a complex issue arises, the group needs to explore diverse perspectives, brainstorm possibilities, and gather a wide range of ideas and data. This can feel messy as many different viewpoints are surfaced.
    - The "Groan Zone:" Crucial, yet often uncomfortable, phase where the group must work through the diversity of ideas, challenge assumptions, and integrate different perspectives to build a shared understanding. This phase can involve confusion, conflict, frustration, and a sense that the process is out of control. This "groan zone" is a legitimate and necessary part of the process, where breakthroughs and new insights can emerge if managed effectively.
    - Convergent: After successfully navigating the groan zone, ideas begin to coalesce, agreement emerges, and the group can refine proposals into strong, inclusive solutions.
    - Closure / Decision Point: The group formally decides on a course of action.
- Consensus Defined: Consensus is both an outcome and a process. If everyone can say they were respected, the group considered their (their constituencies') voices, and they can support the decision even if it wasn't their first choice, it is still consensus. The "I can live with it" or thumbs sideways is still consensus.
- If a member cannot live with a proposed option or recommendation, they must return with a proposal that addresses the issue and can meet all members' needs.

Chris explained the concept of a "first offer," when a workgroup brings something to the full group to be workshopped and discussed. Those first offers and initial thoughts are different than a decision point. Amanda noted that the group would develop draft options for recommendations and then discuss and refine them before finally deciding on them.

CONVENING ASSESSMENT FINDINGS

The first step of an effective collaborative process is what is referred to as a "convening assessment". Before the Center's Facilitation Team brings parties together, the Facilitators meet individually with each party to better understand the interests and substantive issues that need to be addressed and the likely challenges, barriers, and opportunities for moving forward. These conversations also provide the Facilitation Team with a better understanding about the goals and expectations each party has for the process, the level of trust that exists amongst the parties, past efforts to address the issues, and areas of potential agreement or conflict. All of this information is used by the Team to inform how the process should be designed for the greatest likelihood of success. This includes meeting frequency, schedule, and topic sequencing, and to develop a draft workplan for the group to build upon and agree to.

Chris provided a brief summary of key findings from the convening assessment (see PowerPoint slides 26-33). Chris noted that the facilitation team are not content experts, but process experts, so will ask questions for clarification and to build understanding. Amanda explained that these (convening assessment) findings are not solutions but commonalities and unique perspectives.

REVIEW, DISCUSS, AND AGREE ON KEY PROCESS ELEMENTS

Amanda introduced a set of Draft Operating Procedures to the members. She explained that they were developed by her and Chris based on what was heard and learned from members during the

convening assessment conversations, and from experience and expertise working with collaborative groups. She explained that the document is a draft and meant to serve as a "first offer" for the group to discuss, edit and build upon.

Members discussed and suggested the following changes:

Membership: The membership list in the members and alternates document includes the parties and perspectives outlined in SSB 5351. Members discussed and agreed on the following:

Group Decision:

- *Members who do not have an alternate identified can select one and inform the Facilitation Team by the November meeting.*
- *Members must either be able to speak on behalf of their organization's leadership or let the group know if they need to consult with their leadership on decisions. The Facilitation Team will draft language that better articulates this responsibility and will bring it back for the group to review and finalize at the November meeting.*
- *One person from each rostered entity participates in consensus decisions, although both the member and alternate member can sit at the table and provide input on deliberations and discussions prior to decision points. The Facilitation Team will draft language that better articulates that alternates can participate in group discussions and will bring it back for the group to review and finalize at the November meeting.*

The Facilitation Team asked members if there are constituencies or voices not represented in the current member list. Members had a lengthy discussion about whether or not there were interests not represented on the Collaborative. At the conclusion of the discussion, members agreed on the following:

- Periodontists, endodontists, and orthodontists. These specialty fields have different insurance codes and reimbursement practices/policies. There are organizations that represent these three groups, although they may also be members of the Washington State Dental Association (WSDA).
- Purchasers and/or entities, such as brokers, that negotiate and purchase plans for employers. Most people get their dental plans from their employers. Members suggested the following groups and characteristics:
    - WA Health Alliance: has mainly larger employer members and their dental coverage is mostly self-funded.
    - National Federation of Independent Business: smaller employers and may be less likely to offer dental benefits.
    - Brokers, especially those not aligned with an insurer: could bring perspective from who buys dental insurance through individual or group markets.
    - Association of Washington Business: could capture employer's voices but are insurers of their members as well so they might have a skewed perspective.

- If none of the above organizations are able to participate as members, one way to get their input could be to invite them to speak to the Collaborative so members can hear and incorporate their perspectives.
- Researcher who knows about dental financing (would serve not as a member but in an informational role): the group needs information on the dental care system and how it has evolved, to hear different opinions on DLR and impacts, and to gain clarity on the problem(s).
- National organizations: The National Association of Dental Plans (NADP) emailed the facilitation team to offer information and data and is observing the meeting(s). Other national organizations like the American Dental Association (ADA) may want to observe and provide information.

  Group Decision and Action Item*: Following an in-depth discussion, the group decided to further pursue adding a seat that represents periodontists, endodontists, and orthodontists, and a seat to represent purchasers. The Facilitation Team will work with members and OIC to identify individuals to contact to gauge their organization's interest and willingness to participate. Updates will be provided to members when the agenda and materials are sent for the November meeting. If individuals are identified and able to participate, the Facilitation Team will invite them to participate at the November meeting. A decision on and confirming of membership will happen at the November meeting.*

Roles And Responsibilities: Amanda and Chris reviewed the roles and responsibilities of members. Members primarily focused on responsibility *a. No Surprises*. Key discussion points included:

- Can additional clarify be provided for "No Surprises"? Does this apply specifically to the scope of this Collaborative – DLR and relative payment based on provider status? Or does it include, for example legislative proposals that are not specific to these two issues but that may impact a members constituency on this Collaborative?
- If actions are occurring outside this room that might impact an entity at the table, or disrupt their ability to participate in this process, think it is good to at least let that entity know, or to bring it to the full group for discussion.
- There is a difference between having discussions versus a public announcement or legislation that would be a surprise. Everyone has their own work to do; the aim is to ensure none of that will derail this process.
- Members often speak with elected officials informally but not speaking on behalf of the Collaborative. Add verbiage to clarify the extent to which a member's organization statements or discussions are on their own.

Group Decision: *The group agreed on the following changes:*

- *First bullet under a. No Surprises: Add a footnote that references and links to the information in section: Meetings and Records: C. Dealing with the Media and Other Interested Parties.*

- *Third bullet under a. No Surprises: the Facilitation Team will add additional language that clarifies the intent of this bullet is to build relationships and members should use their best judgement as to whether they think something will impact other members.*
- *Fourth bullet under a. No Surprises: strike "…or the parties participating in the Collaborative."*

Decision-Making: Amanda walked through the proposed decision-making process, highlighting the following for the group to discuss:

- The SSB 5351 Collaborative's decisions and recommendations will be consensus-based.
- For all decisions, consensus of all members is desired. Consensus can be achieved at any SSB 5351 Collaborative meeting among those members (or alternates, if the member cannot attend) who are present.
- Members will have the option to ask the Facilitation Team to communicate afterward with those not present during a decision, to explain key points of the deliberations and confirm whether those members can go along with the decision. If not, the Collaborative may decide whether the group should reconsider the decision at a subsequent meeting.
- Each member/alternate can convey their position on a given consensus option via a thumbs up ("I support this option"), thumb sideways ("I can live with this option for the good of the group and the process") or thumbs down ("I cannot live with this option"). If a member is thumbs down, that member is expected to provide a proposal that legitimately attempts to achieve the interest of the constituency they represent and the interests of the other members. All members will seek solutions that allow those thumbs to move to up or sideways.
- In situations when there is no consensus, members not in support will submit in writing to the Facilitation Team the reasoning behind their constituency being unable to "live with" the decision, alternative options or language that would have addressed their constituencies' concerns, and how this alternative would also meet the concerns and needs of other members.

Consensus Decision: *Amanda asked if anyone was unable to live with the decision-making procedures. All members present gave a thumbs up. The group reached consensus on their decision-making process.*

Action Item: *Members will review the remaining sections of the operating procedures following the meeting and will send any modifications they propose to the Facilitation Team. The facilitation team will incorporate those proposed edits as tracked changes and will send out an updated draft to the group with the November meeting materials. The group will review these proposed edits and finalize the operating procedures at the November meeting.*

WELCOME - COMMISSIONER KUDERER

Following lunch, OIC Commissioner Kuderer joined the meeting and welcomed the group. Commissioner Kuderer thanked members for their time and willingness to participate in this process and to work together to address these issues. She expressed her hope that all members will participate in good faith and that she looks forward to learning from the group.

LEVEL SETTING – PRESENTATION ON DENTAL LOSS RATIO

Jane Beyer, Senior Health Policy Advisor for the WA Office of the Insurance Commissioner (OIC) and Steve Drutz, Chief Financial Analyst, OIC presented "Dental Loss Ratios 101." Key information from the presentation:

- The idea of a Dental Loss Ratio (DLR) stems from the Medical Loss Ratio (MLR) in the medical field, which is the amount spent on claims versus the total premiums collected . When the Affordable Care Act (ACA) passed, it established the MLR at 80% for small market groups and 85% for large market groups. Within the ACA MLR calculation, notably also (i) expenditures for quality improvement activities are added to the numerator and (ii) taxes, licensing, and regulatory fees are excluded from the denominator.
- DLR or some form of it has been considered in 25 states, and at least four have adopted laws.
- In Washington state, DLR is calculated based on total payments for dental claims divided by the total amount of dental revenues.
- In Washington state, dental carriers must report their DLRs to the OIC, who makes that information publicly available (RCW 48.43.743).

Questions and Group Discussion

Following the presentation, the Facilitation Team asked members to respond to the following question: *What information is needed about dental loss ratio to ensure there is enough shared understanding to enable productive dialogue and problem solving?* Members discussed and identified the following information needs.

- How is DLR used in a regulatory framework?
- More information about how taxes were used in the DLR calculation? Are there other taxes besides premium taxes?
- Is there DLR data specific to dental insurance carriers in Washington State?
- Is there data on how premium costs in Washington have changed over time?
- More information about the Massachusetts ballot initiative that passed?
- Why have some states implemented a DLR and others did not? For states that have established a statutory DLR, what underlying issue were they trying to address?
- Is there a way to show what administrative services are covered by premium dollars?
- Is information available about premiums being impacted after the DLR is implemented—did implementing DLR have impacts to patient choice, care, affordability, or access?
- Do states with statutory DLR require insurers to give rebates if they have a DLR lower than required?
- What are average premium payments for members (premium per member per month is data insurers already must report)?
- Number of individuals that have dental coverage in Washington.
- It will be important to look at the economics of dental versus medical insurance; someone may pay $500 per member per month for medical insurance, and only $60 per member per month. With a DLR of 85% that would leave just $9 for administrative costs.

- What is included in an administrative cost? How do those change over time? Is there information on how other states define an administrative cost or average cost for services?
- Do we have data on cost of premiums over time and the rate of uninsured individuals in dental?
- Is there data correlating statutory DLRs and improved patient care? Can we also find the information on MLR impacts?
- Why/How do premiums change in urban areas versus rural areas like Eastern WA?
- Is there a mechanism to share evidence/data/information to support decision-making?
    - A page on the Ruckelshaus Center's website is being created for this group, which will have links to all of the meeting materials, data shared, presentations, etc. The up by mid-November.

Action Item: The OIC will look into what data and information they can collect based on the feedback provided and will report out at the November meeting. answers to these questions and aim to have them by the next Collaborative meeting.

GROUP DISCUSSION ON DENTAL LOSS RATIO - Goal and Problem Statement

To get everyone operating from a shared understanding, it will be important to have a clear problem statement. This can shed light on the issues the Collaborative hopes to address. The group discussed the following questions: *What is the purpose of DLR, why is it important? What are we trying to solve for? Why does Washington state need a DLR?*

Amanda asked members to share their responses to the questions above. Responses included:

- DLR is critical information, and it is good it is reported on and used by the regulator. We might not need a mandatory DLR; we should be focused on affordability and access.
- Many factors go into DLR, and we need to take all factors into account. This is an opportunity to have robust reporting and publicly available information to make the best decisions about value, affordability, and access.
- DLR helps understand trends in claims and how to price products appropriately. I am not sure how a DLR will support better access.
- There was still misunderstanding around what a DLR would solve and how it will improve patient care.
- From the patient and purchaser perspective, it makes a lot of sense to have DLR. If it is a benefit, it needs to include protection(s) for patients. We cannot modify the loss ratio by eliminating benefits; that would be a concern for patients and affect denturists.
- Accessibility and transparency are important. As denturists, we are a specialized field and not covered in most plans. This makes it difficult to be heard by insurers and patients. Patients need access to specialized care and including coverage for those specialty services in plans is needed.
- As dentists, we are stuck between the dental benefits company and the complaints of patients. Employers pay a lot for dental benefits so their employees can get care, and patients pay a lot for their care. They deserve fairness from all companies.
- A lot of carriers in Washington operate with an appropriate DLR and we want to ensure all carriers are doing that. Any minimum standards should be shared to catch the outliers.

- Access to affordable dental care and value in premiums are both important. If all plans in Washington are in the 80-85 percent range we are doing well. Regulation becomes more important if there is not a set DLR.
- Increased quality care is most important. Looking at the system holistically, patients get the quality they pay for, but it's important for the OIC to identify affordable and comprehensive plans.
- Access and affordability are the goals. We want our members to use their benefits. The OIC needs to approve proposed rates, but I'm not sure DLR solves any problem.
- DLR is not a silver bullet for anything. We need to recognize that our provider colleagues brought this forward, and the ACA intentionally did not apply loss ratios to dental insurance. I'm not sure what problem DLR would solve directly, but we can work together to envision the dental landscape for better value and affordability.
- A lot of concerns from members on the providers side could be solved during the network discussions. Denturists are not included in most plans and that surprised me, so that could be another issue to solve.
- Access, affordability, quality care, and fairness - how does DLR achieve these goals?
- For DLR, will need to look at what is the right percentage, what drives affordability and access, what would quality improvement expenses be? What do the numbers mean in the context of dental, not medical?
- If 10-30 percent is being spent on administrative costs, it would be helpful to better understand from insurers, what exactly those administrative costs are.
    - Administration costs may include the costs of building and maintaining provider networks, contracting with providers, enroll/disenrollment processes, supporting utilization management infrastructure, meeting reporting requirements to the OIC, providing customer service, costs of broker commissions, communications and marketing, IT, computer, data infrastructure, etc. For non-profit carriers, there are additional costs that support community and social benefits.
- It is important to note that under the ACA, there is a different MLR for large carriers and small carriers.
- Medical premiums and dental premiums are different. But is there a difference between medical and dental administrative costs? Are they different? Can any of the carriers provide information about this?
- It is also important to note some administration costs are necessary to meet regulatory requirements and reporting requirements.
- Is dental covered by employee benefit plans established under the ERISA *(Employee Retirement Income Security Act, designed for employers to provide benefits such as medical care, disability, or unemployment benefits to employees*)? For employee welfare benefits yes – which go to the self-insured.

Action Item: The Facilitation Team will draft a DLR goal/problem statement based on what was shared by members during the discussion for the group to discuss and build upon at the November meeting.

DRAFT WORKPLAN, ACTION ITEMS, AND NEXT STEPS

Amanda reviewed a draft workplan. Having two all-day meetings a month that are in person can be difficult to execute given the size of the group. The Facilitation Team is proposing one all-day meeting per month. She noted that given the short timeline allocated by the Legislature, it is likely there will need to be additional work done outside of the once a month all day meeting of the Collaborative. Therefore, one proposal is to create working groups, consisting of members of the Collaborative that are willing and able to spend additional time to discuss and draft a proposed recommendations to bring to the full group to discuss and build upon. These workgroup meetings can be held virtually. Workgroups are not exclusive, but the idea is have a smaller number of people with representatives from each key perspective along with OIC, to get deeper into discussions. Workgroups do not make decisions for the full Collaborative.

Action Items: Members discussed the proposed workplan and agreed on the following action items:

- The Legislative session begins the second week in January. This can be a challenging month for most members to dedicate a full day to meeting. Having the January meeting before session starts on January 13th was suggested by a number of members.
- The November meeting will be on November 21st and will have a later start time (10am). The Facilitation team will send out a poll for the December meeting – looking at dates for the week of December 8th.
- Friday is the preferred day of the week for holding the monthly meeting.
- Hold November 21st on calendars for next meeting.

CLOSING AND REFLECTION

To close out the meeting, Amanda asked each member to respond to the following reflection question - *What is one thing you are taking with you from our meeting today?* Members responses included:

- Appreciation for the opportunity to have complex dialogue with everyone in the room.
- Nice to have new people in the room for these discussions.
- This forum was more productive than the legislative session.
- Great start and appreciate the OIC and Facilitation team.
- Good to hear other perspectives.
- Everyone's willingness to work together even if we have different perspectives.
- Taking away optimism we are working constructively on complex issues.
- Opportunity to listen, have a connection, and significant time and resources everyone is putting in to being here.
- Learning and listening.
- Optimism that the process is designed purposefully.
- More educating myself, not just on issues connected to my own perspectives, but others as well.

ADJOURN