

Capitol Hill Brief

Federal Baseline Dental Insurance Consumer Protection Act

The Problem / The Issue

Employer-sponsored dental benefits have remained largely unchanged for decades. Most plans cap annual coverage at \$1,000–\$1,500, limits originally set in the 1960s when dental care focused primarily on extractions and dentures. Adjusted for inflation, \$1,000 in 1965 would exceed \$10,000–\$16,000 today. As a result, dental benefits have lost significant purchasing power while the cost and scope of modern dental care have expanded.

Key Structural Issues / Gaps

- No federal Dental Loss Ratio (DLR) requirement
- Restrictions on Assignment of Benefits, limiting provider payment options
- Limited transparency in insurer spending, administrative costs, AI use, and executive compensation
- Self-funded employer dental plans under ERISA are often exempt from state consumer protections

Legislative Goal

Modernize employer-sponsored dental insurance by establishing federal baseline consumer protections, increasing transparency, and ensuring accountability—while preserving the private dental care delivery system.

Core Provisions of the Legislation

Minimum Annual Benefit:

- Establish a federal baseline annual dental benefit of at least \$2,000 per enrollee, indexed to inflation

Dental Loss Ratio (DLR):

- Require an 85% DLR, ensuring premium dollars are primarily spent on patient care

Assignment of Benefits Protections:

- Guarantee that dental plans honor Assignment of Benefits and allow direct payment to providers

Transparency Requirements:

- Increase reporting on insurer administrative costs, executive compensation, and AI-driven claims systems

ERISA Reform:

- Extend these protections to both insured and self-funded employer dental plans



Why This Matters

Oral health is closely linked to systemic health conditions such as diabetes, cardiovascular disease, and pregnancy complications. Strengthening dental benefits:

- Expands access to preventive and restorative care
- Improves overall health outcomes
- Supports workforce productivity
- Reduces long-term medical costs

What the Bill Does NOT Do

- Does not create a federal dental insurance program
- Does not mandate employers to offer dental coverage
- Does not cap executive compensation
- Does not alter the private dental practice model

Bottom Line

This legislation establishes long-overdue baseline protections and transparency standards for dental insurance. It modernizes benefits, promotes accountability—particularly in the use of AI—and ensures that patients and providers receive fair value from existing dental coverage without disrupting the private care system.

