
POLICY LEVEL

PL-P5 Adult Dental Rate Increase

RECOMMENDATION SUMMARY TEXT

The Health Care Authority (HCA) requests \$6,720,000 (\$1,682,000 GF-State) in the 2016 Supplemental to address decreased access to dental services for adults. This funding would help ensure adequate, timely access to cost-effective, medically necessary dental care.

PACKAGE DESCRIPTION

In 2011, the Apple Health (Medicaid) adult dental benefit was discontinued. Adult dental care is not a mandated Medicaid State Fund Benefit. The benefit was reinstated January 1, 2014, with the implementation of the Affordable Care Act (ACA), at reimbursement rates that have been in effect since 2007. Elimination of the dental benefit had a significant impact on the number of dentists who served Apple Health clients. Prior to 2011, many dentists served a high percentage of Medicaid clients. At that time, the 2007 rate was considered equitable and an effective case-mix balance had been established to make providing these services reasonably profitable. However, without a benefit and a reliable Medicaid payment for dental services, dentists began to seek other clientele to maintain their practice from 2011 through 2013.

When the adult dental benefit was reinstated in 2014, the Medicaid payments rates were not high enough to provide an incentive for many dentists to reassume the provision of dental care for Medicaid clients. The 2007 rate cannot compete with the rates they are now receiving from private pay or other carriers. Medicaid clients no longer have access as they did in 2011, and this is further exacerbated by the number of new adults seeking dental services who were added to the Medicaid caseload under the ACA. For fiscal year 2010, there were 1,299 participating dentists in the program. In fiscal year 2014, that number dropped to 618. It is unreasonable to try to meet the needs of 971,243 adults enrolled in Medicaid with this number of dentists.

A study conducted by Barbara Aved Associates released in September 2014 reported the most important first step to improve our dental program is to increase the rates for services. A comparison of Medicaid's rate for seven common dental procedures showed Washington Medicaid ranks below both the average and median rates of the majority of approximately 30 comparison states for all seven procedures.

The impact of poor oral hygiene and subsequent dental conditions on pregnant women, unborn children, diabetics, and individuals who have had or are waiting for prosthesis or implantable medical devices is clinically significant and can drive health care costs up. For the population of covered clients outside these groups, poor oral hygiene and lack of access to dental care means pain and suffering until access is secured. This approach can result in more extensive costly treatments in the long run because first-level interventions were not readily available at the onset of symptoms. It also increases emergency room costs as clients seek relief of dental pain and infection.

Currently, access to dental care for children is not in jeopardy. The agency's rate for child dental care is significantly higher than for adults. This request proposes a 15 percent rate increase beginning on July 1, 2016, for adult dental services to compete with other payers, and secure access for our adult population.

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FISCAL DETAILS/OBJECTS OF EXPENDITURE

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
1. Operating Expenditures:			
Fund 001-1 GF-State	\$ -	\$ 1,682,000	\$ 1,682,000
Fund 001-C GF-Federal Medicaid Title XIX	\$ -	\$ 5,038,000	\$ 5,038,000
Total	\$ -	\$ 6,720,000	\$ 6,720,000

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
2. Staffing:			
Total FTEs	-	-	-

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
3. Objects of Expenditure:			
A - Salaries And Wages	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -	\$ -
E - Goods And Services	\$ -	\$ -	\$ -
G - Travel	\$ -	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ -	\$ 6,720,000	\$ 6,720,000
Other (specify) -	\$ -	\$ -	\$ -
Total	\$ -	\$ 6,720,000	\$ 6,720,000

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
4. Revenue:			
Fund 001-C GF-Federal Medicaid Title XIX	\$ -	\$ 5,038,000	\$ 5,038,000
Total	\$ -	\$ 5,038,000	\$ 5,038,000

NARRATIVE JUSTIFICATION

WHAT SPECIFIC PERFORMANCE OUTCOMES DOES THE AGENCY EXPECT?

Increasing the reimbursement rates for adult dental services will assist in securing access to these adult dental services for the HCA's clients. Raising the reimbursement rate will encourage dentists to re-enroll in the HCA system and reconnect with HCA and HCA's clients. Clients who cannot access dental care turn to the emergency room for care when the pain becomes unbearable. Dental conditions are one of the primary reasons why Medicaid clients seek emergency room services. However, there are no dentists available in this setting. The outcome of the emergency room visit is medication for pain and infection and a referral to a dentist for further care with the hope that the client will be seen.

Timely access to dental care will assure the most cost effective treatment is being rendered. It is important to be able to prevent dental problems and treat any that do occur in the early stages to avoid the need for more costly intensive treatment.

PERFORMANCE MEASURE DETAIL

Activity Inventory

H010 HCA Apple Health

H012 HCA All Other Clients – Fee for Services – Optional Services

IS THIS DECISION PACKAGE ESSENTIAL TO IMPLEMENT A STRATEGY IDENTIFIED IN THE AGENCY'S STRATEGIC PLAN?

Yes, this request supports the HCA's role in achieving a healthier Washington by assuring accessibility to quality dental care to prevent and treat dental conditions. Good oral health is essential for a healthier citizen population.

DOES THIS DECISION PACKAGE PROVIDE ESSENTIAL SUPPORT TO ONE OR MORE OF THE GOVERNOR'S RESULTS WASHINGTON PRIORITIES?

Yes, increasing reimbursement rates for adult dental care contributes to the Results Washington Goal "Healthy and Safe Communities."

WHAT ARE THE OTHER IMPORTANT CONNECTIONS OR IMPACTS RELATED TO THIS PROPOSAL?

Access to timely dental care will have a significant effect on clients. They struggle every day to make appointments with a dentist who will accept the Medicaid payment rates. Medicaid staff must facilitate these connections by directing clients to those limited number of dentists that will accept the HCA reimbursement rates.

There are Medicaid clients who are also covered by Medicare. Medicare does not cover dental services; therefore Medicaid coverage is the payer for these individuals.

WHAT ALTERNATIVES WERE EXPLORED BY THE AGENCY, AND WHY WAS THIS ALTERNATIVE CHOSEN?

One of alternatives considered is do nothing. This option would not address the need to provide access to dental care for the HCA’s clients. The Centers for Medicare and Medicaid Services (CMS) released a memo informing states they would now be requiring state Medicaid to assure all benefits, including available optional benefits, meet 95 percent of client’s needs. Therefore, the inability to secure access to dental care could compromise the HCA standing with CMS if we do not resolve this problem.

WHAT ARE THE CONSEQUENCES OF NOT ADOPTING THIS PACKAGE?

Reduced access to adult dental services compromises the agency’s ability to assure adequate, timely access to medically necessary dental care. Less costly, preventative and restorative care is essential to avoid more costly treatment that will be required when the condition has deteriorated to the point where more aggressive treatment is needed. This is not a good use of health care dollars.

WHAT IS THE RELATIONSHIP, IF ANY, TO THE STATE CAPITAL BUDGET?

None

WHAT CHANGES WOULD BE REQUIRED TO EXISTING STATUTES, RULES, OR CONTRACTS TO IMPLEMENT THE CHANGE?

None

EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS

REVENUE CALCULATIONS AND ASSUMPTIONS:

The anticipated increase in federal revenue that would result from this proposal represents the blended federal medical assistance percentage (FMAP) of the state’s adult Medicaid population.

EXPENDITURE CALCULATIONS AND ASSUMPTIONS:

The anticipated increase in expenditures that would result from this proposal was calculated by taking adult dental expenditures for in calendar year 2014 (less denturist costs) and multiplied by 15 percent.

	Federal	State	Total
FY 2017	5,038,000	1,682,000	6,720,000

DISTINCTION BETWEEN ONE-TIME AND ONGOING COSTS:

All costs are ongoing.

BUDGET IMPACTS IN FUTURE BIENNIA:

Budget impacts will be ongoing and continue into future biennia.

