

# Alabama Medicaid Dental Workgroup Meeting

## August 14, 2015

**Members present via conference call:** Max Mayer, Ric Simpson, Steve Mitchell, Anthony Daniels

**Medicaid members/Workgroup members present:** Melinda Rowe, Theresa Richburg, Beverly Churchwell, Kathy Hall, Drew Nelson, James Whitehead, Carolyn Miller, and Beth Huckabee, Robert Meador, Sherry Goode, Conan Davis, Rodney Robinson, Zack Studstill, Keri Miller

Other attendees: Melvin Maraman, Stuart Lockwood, Johnny Crawford, Drew Nelson, Anita Charles, Doug O'Toole

**HP members present:** Cyndi Crocket

**Call to Order:** The Dental Workgroup Meeting was held today at 9:00 a.m. in the Alabama Medicaid, Lurleen Wallace State Office Building, Second Floor Auditorium. Don Williamson called the meeting to order and welcomed all attendees.

**Welcome and Introduction:** Beverly Churchwell welcomed members to the meeting and moved forward with introduction of the Dental Study Workgroup members as well as Medicaid team members in attendance.

**Opening Comments:** Don Williamson gave an update on the dental program as to where it is with the legislation. The legislation passed in 2013 specifically excluded dental from payment methodology and excluded them from RCO completely. The Agency is in the process of preparing a report to present to the Legislation and the Governor on October 1, 2015. The Agency is looking at options as to: do dental services get included in to the RCO capitation rate or dental ultimately remain outside the RCOs; does the dental delivery system and the payment system change; or do we pay for FFS or move it to a managed care or not. Neither is exclusive. There is a choice as to what dental would like.

**Dental Program Budget Analysis:** James Whitehead gave an overview of the dental program analysis. See attachments for comparisons. The attachments explained how much dentists were cut; this was because the cuts did not coincide with the fiscal year: In 2012-3.3%, 2013-2.5%, 2014-4.9%. In 2010 thru 2011 there were no cuts. In the state share in order for Agency to go to what BCBS reimburses another \$8.5b would have to be put up (See attachment). See all other attachments for analysis regarding FY 2014 by date of Service-Dental Claims only-this explains and gives a comparison as to how much is being claimed vs spent; Annual Growth gives a comparison of the percentages from FY 2010 thru 2014. Budgetary rate cut gives a comparison of the budget percentage rate cuts for FY 2010 to 2014 and the state share of actual paid vs adding BCBS rate to Medicaid rate. This excludes claims with third party liability and BCBS rates are based on rates in effect at January 2015. The Age of Recipients analysis gives an overview of per member per cost and the growth rate of eligibles for FY 2014. The utilization by age gives an overview of the utilization rate at the age of 2 is 55% and at age 3 is 60% and holding. By age 9, the utilization rate begins to decline and by the age of 17 it's at 50%.

**Other State Dental Program Update:** Beth Huckabee gave an overview of information gathered from other states' dental programs and the role managed care (MC) plays in those programs. The information comes from Kaiser Family Foundation, Oral Technical Advisory Group (OTAG) and The Kids Oral Health group members with CMS, and the American Dental Association's Health Policy Institute.

**From the Kaiser Family Foundation website:**

- 70% of Medicaid enrollees nationwide received services are in a MC delivery system
- 3 states do not have any type of MC: Wyoming, Delaware, and Alaska

- all other states have (some level of )MC involved in the delivery of services

**According to CMS through Medicaid.gov and OTAG:**

- 38 states provide dental services through a combination MC and others are FFS (Fee-for-service)
- 12 states provide dental services all in MC
- the remaining 9 states provide dental services through FFS

**Accountable Care Organizations (define) in the nation:**

- brief published by the Health Policy Institute of the American Dental Association of information gathered between late 2012 through early 2014
- found over 600 ACOs that serve more than 18 million commercial and Medicaid patients in general health services
- of the ACOs surveyed in this study time period, the number of ACOs that provided commercial dental services increased from 8% to 26%
- found there are more ACOs that have a Medicaid contract if they are responsible for dental services than those that don't provide dental services
- of ACOs formed after Sept 2012, 47% of them had Medicaid dental services contracts in which they were responsible for the cost of quality of the services
- almost ½ of ACOs responsible for dental services are found in the South
- the authors suggest that dental service incorporation is more likely to be adopted earlier by ACOs with Medicaid populations to serve

**Three questions posed to the Kids Oral Health list serve members were:**

1. In your state, how are the Dental services administered (MC, FFS, or combination)?
2. If your state has changed from FFS to MC, have you found it to more cost effective than FFS delivery?
3. If your state has changed from FFS to MC, have you found it to be better for recipients and providers?

As of the afternoon of 08/13/2015 afternoon:

**#1 – 14 states responded:**

- 9 states indicated their services are delivered through FFS
- 4 states indicated services are through MC
- 2 states indicated a combination of FFS and MC
- 1 of the FFS states said they have plans to switch to managed care soon

**#2 – 5 states responded:**

- 3 states have not had MC long enough to be determined if its cost effective
- 2 states answered it has not been cost effective

**#3- 4 states responded:**

- 3 states answered their recipients and/or providers are struggling
- 1 state answered recipients have better access through MC than FFS

As we can see, the environment of other states Medicaid Dental programs are diverse and thought provoking amidst the many challenges that Dental providers and Medicaid programs face. The intention is to contact some states individually, research more in the next few weeks and to bring an update to you at the next meeting.

**Medicaid Financial Update:** Don Williamson gave an overview of the budget.

For fiscal year 2015, the Agency received an appropriation of \$685 million from the Alabama General Fund, an increase of \$70 million (11%) over the prior year's appropriation. Almost 70% of dollars will come from the federal government. That is the highest match rate for a while. We are making the 2015 budget work because we are carrying some of the money that the hospitals of Alabama left over to supplement the general fund

appropriation and because we are not paying back any money that is owe the federal government. Part of that will change in 2016 and all will change in 2017. In 2016 we no longer have the money that the hospitals have been using to supplement the General Fund, that's \$50 million. In 2016 we will have to pay back at least \$10 million. In fact if the entire General Fund is put up as a state match, we would still be some \$14m short of being able to adequately match the federal dollars. Our current understanding is that the legislature did not pass a General Fund budget and will go into special session. The budget is the main concern at this point for Medicaid.

**Regional Care Organization (RCO) Update:** Williamson stated that currently we have 11 probationary RCOs approved. We are in the process of moving from the probationary RCO file certification of some number of those entities. In April they begin the process of demonstrating network adequacy. Also they are in the process of working towards getting network adequacy by October 1. The Agency will work closely with them in making sure this is done. The next item is the solvency requirement. They have to demonstrate solvency on or by October 1, 2015. The readiness review and it will begin in the spring, they are going to have to demonstrate to Medicaid that they are able to manage their network, pay for funding, contract with providers and meet the quality measures. Robert Moon has done a phenomenal job. His work has come up with 42 med groups all but one of them are a part of the national net groups, ten of them are actually pilot to reimbursement. Some other issues we will be looking at is what is the final contract going to look that. The other is the 1115 Waiver. It's a waiver for the federal government to create money for a state. It cannot be used to replace existing state expenditures, it cannot be used to supplant state expenditures. It can only be used for service specific purposes that are agreed between the state and CMS. In our case it is for implementation in transformation of the Medicaid program. It's to increase access to primary care providers around the state. To help maintain health care infrastructure in parts of Alabama. The ability of Medicaid is to go forward with the RCO transformation. The 1115 Waiver is still being discussed with CMS and conversations remain positive and consistent to get the 1115 Waiver approved.

The members entertained other discussion regarding provider taxes and how this may lower the Medicaid utilization rate the more debt money in cost. It helps the system in the algorithm but harms the provider as an individual if they take no Medicaid or if they take little Medicaid.

Don Williamson tasked the Dental Workgroup with gathering information and evaluating the current program in a report due to the Legislature and Governor on October 1, 2015

The meeting was adjourned.

**Next Meeting Date:** The next meeting was scheduled for August 31, 2015 1:30 p.m. CST.