

# The Future of Alabama Dental Medicaid

A UNIFIED ANALYSIS FROM KEY STAKEHOLDERS IN ALABAMA'S  
PROVIDER NETWORK



# Outline

- ▶ Accountable Care Model:
  - ▶ Goals
  - ▶ Available Evidence in Dentistry
- ▶ Success of Current Model achieving ACO goals
  - ▶ History of the Alabama Dental Medicaid Program
  - ▶ Alabama Dental Medicaid National Standings
  - ▶ First Look Program
  - ▶ Provider involvement in program
- ▶ Evidence based predictions for other models functioning in Alabama

# July 2015 RCO Quality Assurance Meeting

## AMA Quality Strategy



### **Vision:**

**To optimize health outcomes of Medicaid beneficiaries by**

- **Improving clinical quality**
- **Transforming the health care delivery system for Alabama Medicaid**
- **Reducing costs**

# Accountable Care Organizations in Dentistry

- ADA report
- Descriptive report on rate of inclusion of dentistry in ACO
- No information on financial impact

## Research Brief

### Early Insights on Dental Care Services in Accountable Care Organizations

Authors: Taressa Frazee, Ph.D.; Carrie Colla, Ph.D.; Benjamin Harris, B.A.; Marko Vujicic, Ph.D.

The Health Policy Institute (HPI) is a thought leader and trusted source for policy knowledge on critical issues affecting the U.S. dental care system. HPI strives to generate, synthesize, and disseminate innovative research for policy makers, oral health advocates, and dental care providers.

#### Who We Are

HPI's interdisciplinary team of health economists, statisticians, and analysts has extensive expertise in health systems, policy research. HPI staff routinely collaborates with researchers in academia and policy think tanks.

#### Contact Us

Contact the Health Policy Institute for more information on products and services at [hpi@ada.org](mailto:hpi@ada.org) or call 312-440-2928.

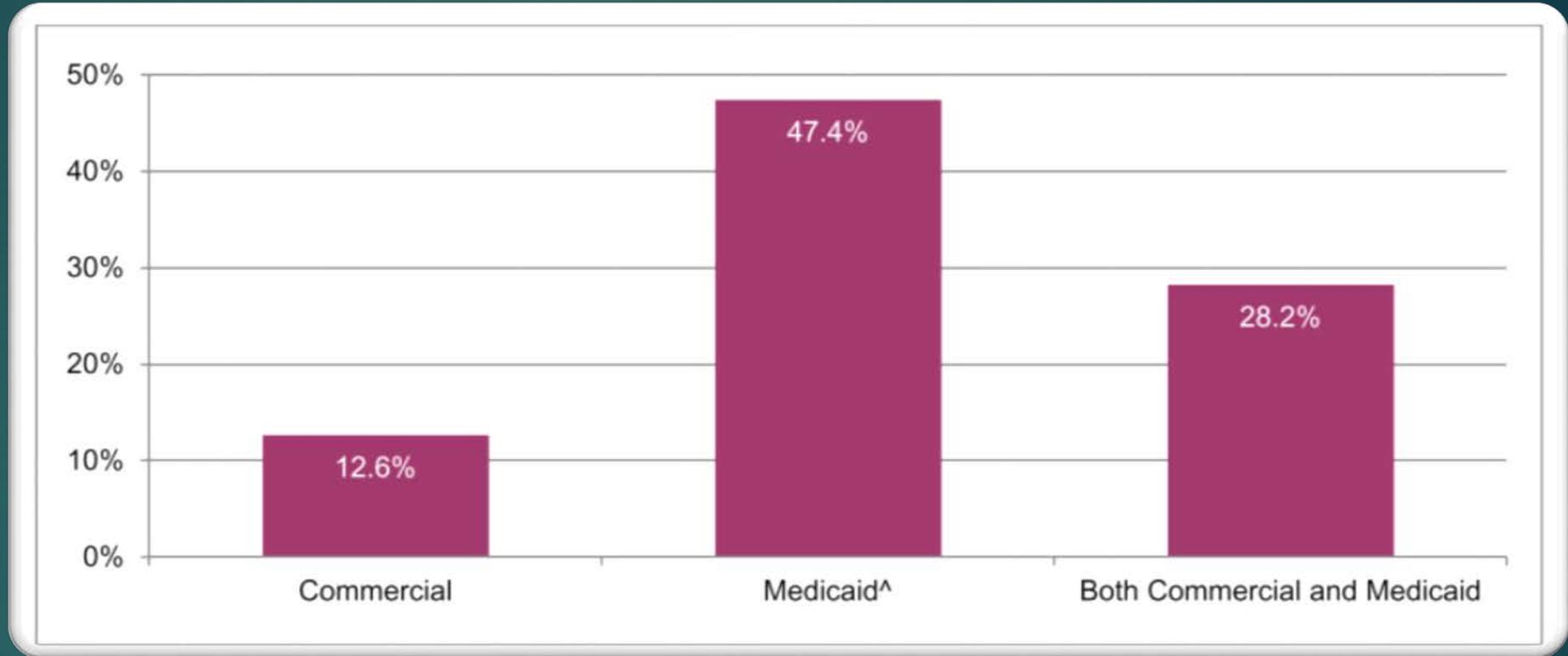
#### Key Messages

- Most accountable care organization (ACO) contracts do not include dental services. However, over time, the share of commercial ACO contracts that include dental services has increased.
- ACOs that do include dental services are more likely to include a federally qualified health center or community health center and are much more likely to have contracts with Medicaid.
- Looking forward, more research is needed to understand how ACOs approach the decision to include dental services.

#### Introduction

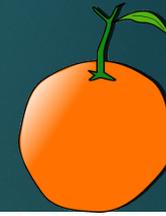
Access to dental care is changing. Dental care use among children is the highest it has ever been, especially among low-income children.<sup>1</sup> Financial barriers to dental care for children also continue to fail.<sup>2</sup> For adults, however, the trends are generally moving in the opposite direction. Dental care use continues to decline,<sup>3</sup> and financial barriers to dental care remain significant.<sup>2</sup> One exception is that utilization of dental care by adults ages 19-25 increased by 3.3% in 2012 as a result of the Affordable Care Act.<sup>5</sup>

At the same time, the dental care delivery model is changing. Larger dental practices are emerging, and health reform is bringing new opportunities to the dental profession.<sup>4</sup> Accountable care organizations (ACOs) are one of those new opportunities.<sup>5</sup> An ACO is a group of health care providers who are collectively and contractually responsible for a defined patient population's total cost and quality of care.<sup>6,7,8,9,10</sup> The ACO model has grown



- Reports:

- 70% of ACO with Dental Have Medicaid Contract
- 30.2% of ACO without Dental have Medicaid Contract

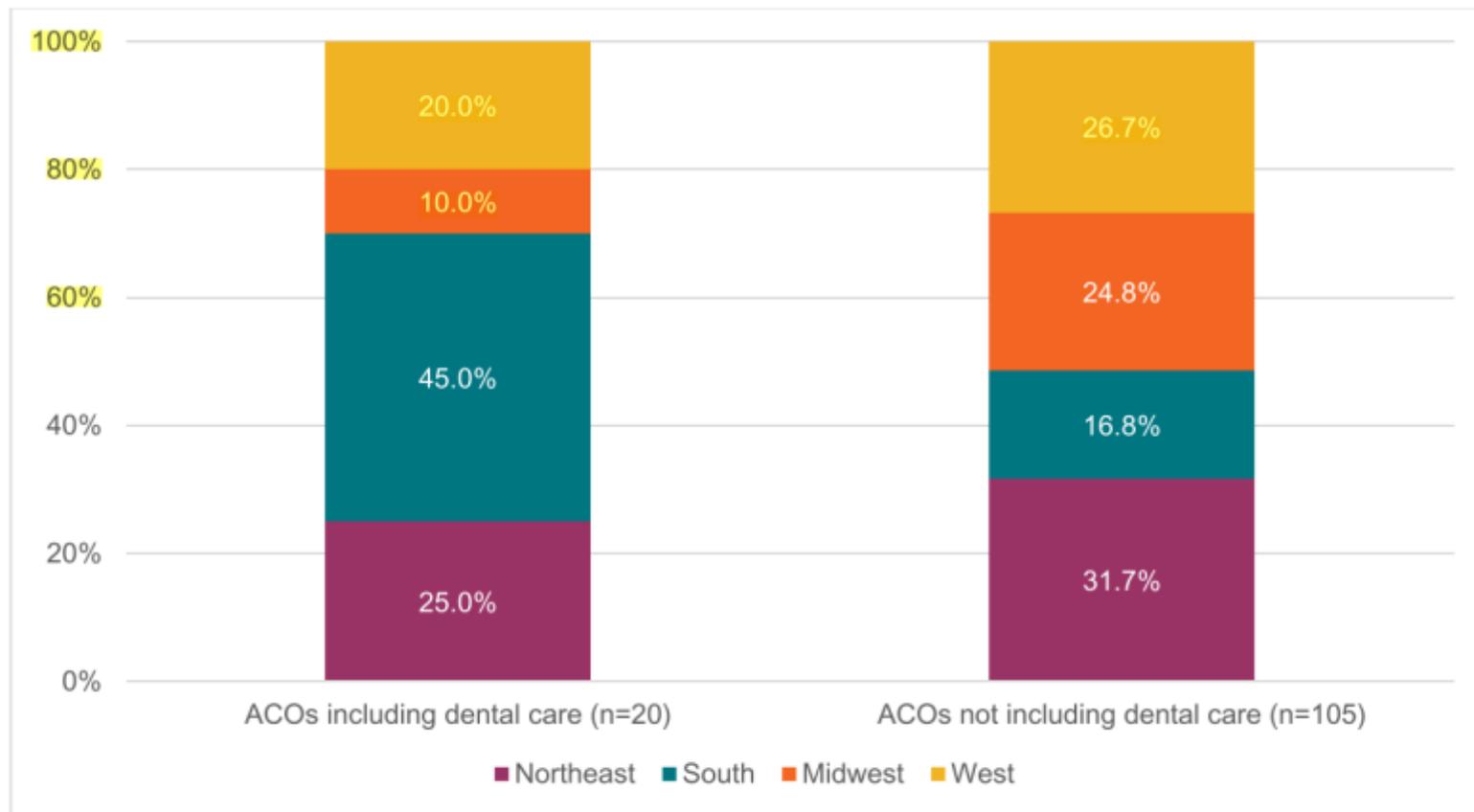


$$20 \times .70 = 14$$

$$106 \times .30 = 31$$

- Reports:
  - 70% of ACO with Dental Have Medicaid Contract
  - 30.2% of ACO without Dental have Medicaid Contract

**Figure 2: Inclusion of Dental Services in Accountable Care Organization Contracts by Geographic Region\***

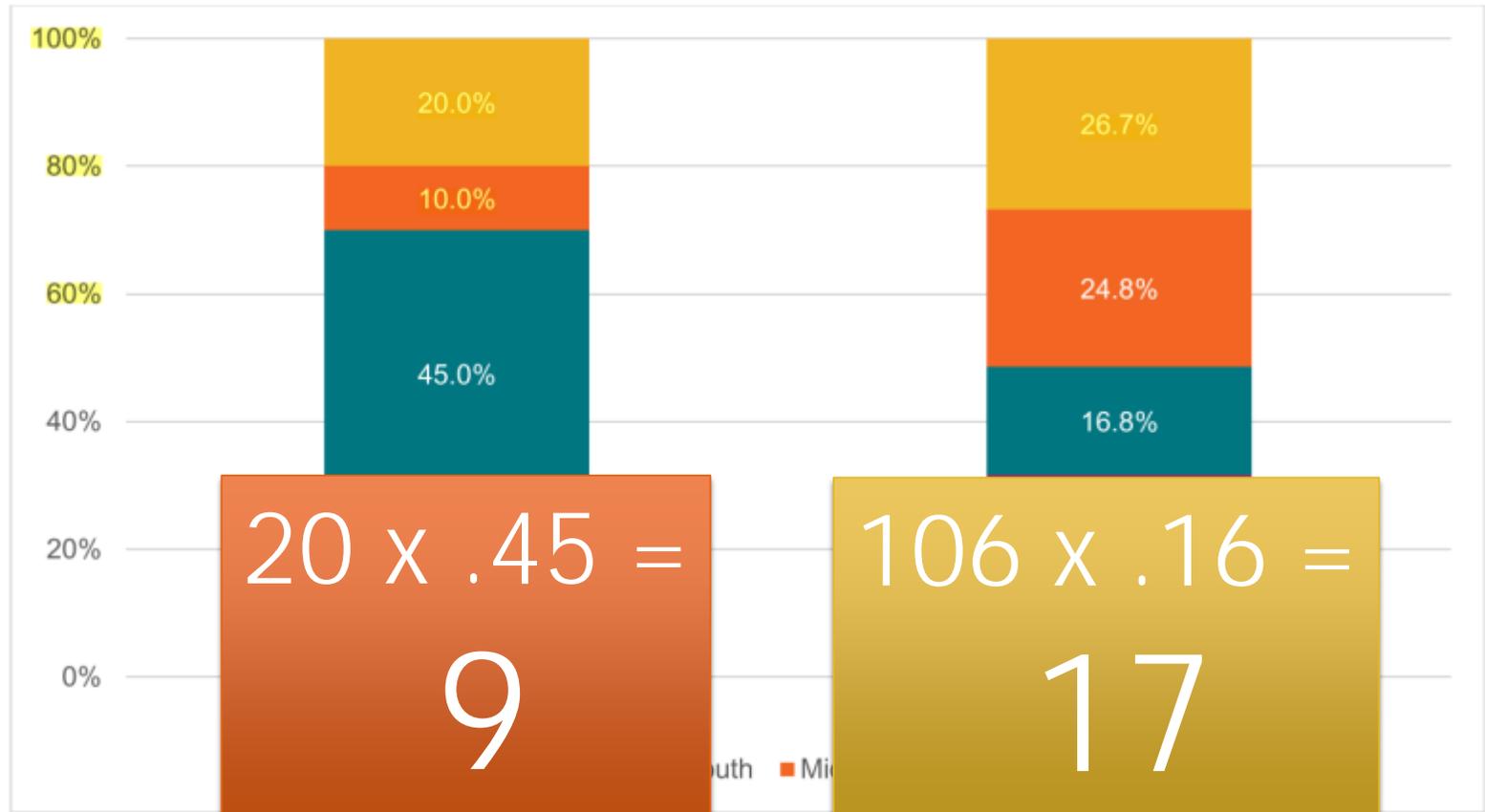


**Note:** Note: ACOs were asked about dental services in the total cost of care in commercial contracts in both survey waves and in Medicaid contracts in the second wave. Payer categories are not mutually exclusive. An ACO may be held responsible for dental services by a commercial contract, a Medicaid contract, or both. Results presented are pooled across eligible ACOs (those with a commercial contract in either survey wave and those with a Medicaid contract in wave 2). \*p<0.05.

Claim: 45% of ACOs with dental operate in the South



**Figure 2: Inclusion of Dental Services in Accountable Care Organization Contracts by Geographic Region\***



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- Only 9 of 126 RCO operating in South
- 17 Southern RCOs do not have dental



Dental Care in Accountable  
Care Organizations:  
Insights from 5 Case Studies

LEAVITT  
PARTNERS

 Health Policy Institute

 American Dental Association\*



ADA and AAPD  
commissioned case  
report.

Five ACOs with  
dental evaluated

Dental Care in Accountable  
Care Organizations:  
Insights from 5 Case Studies

LEAVITT  
PARTNERS

Health Policy Institute  
ADHA American Dental Association

Public Health  
University of Washington  
THE UNIVERSITY OF WASHINGTON

- No examples of ACOs functioning across entire state
- One ACO operating in Washington/Oregon since 1970s.
  - Part of Kaiser
  - Has NOT been rolled out to Kaiser across country
- ACOs operating with FQHCs or Public Health Clinics seem to function best

# Evidence from the literature:

## AMA Quality Strategy



### Vision:

To optimize health outcomes of Medicaid beneficiaries by

- Improving clinical quality
- Transforming the health care delivery system for Alabama Medicaid
- Reducing costs

1. Hope for improved care coordination
2. Multiple ACOs express concern over lack of valid metrics
3. Interdisciplinary interactions will take significant investment in electronic records and interdisciplinary communication tool

# Success of the Current Model

HISTORY OF ALABAMA DENTAL MEDICAID

1990s

2000

2010



Success of the Current Model:  
A Story of Successful Public-Private  
Partnerships

*"Only through effective disease reductions that markedly impact the Medicaid child population's disease burden of preventable tooth decay can better oral health at a lower cost be achieved"*

CDHP Issue Brief, 2012

- ▶ A successful program controls costs by effectively **reducing disease** and **emphasizing prevention**

Success of the Current Model:

# Principles for Building a Successful Program

- ▶ Early Risk Assessment and Education
- ▶ Fluoride Varnish
- ▶ Access to a Dental Home (age 1)
- ▶ Early Intervention and Treatment
- ▶ Continuous Preventive Measures, Anticipatory Guidance, Regular Intervals, Dental Home

# Success of the Current Model: Alabama Dental Medicaid Program

- ▶ Late 1990's...a broken system

1997-98

350 Providers

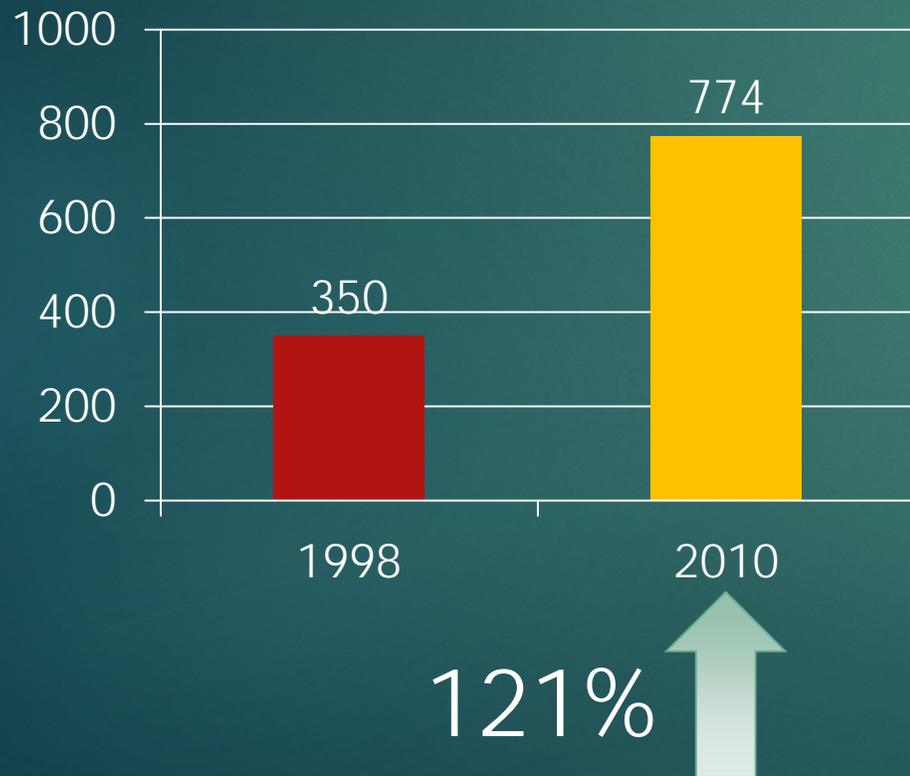
25.2% Utilization

## Actions Taken:

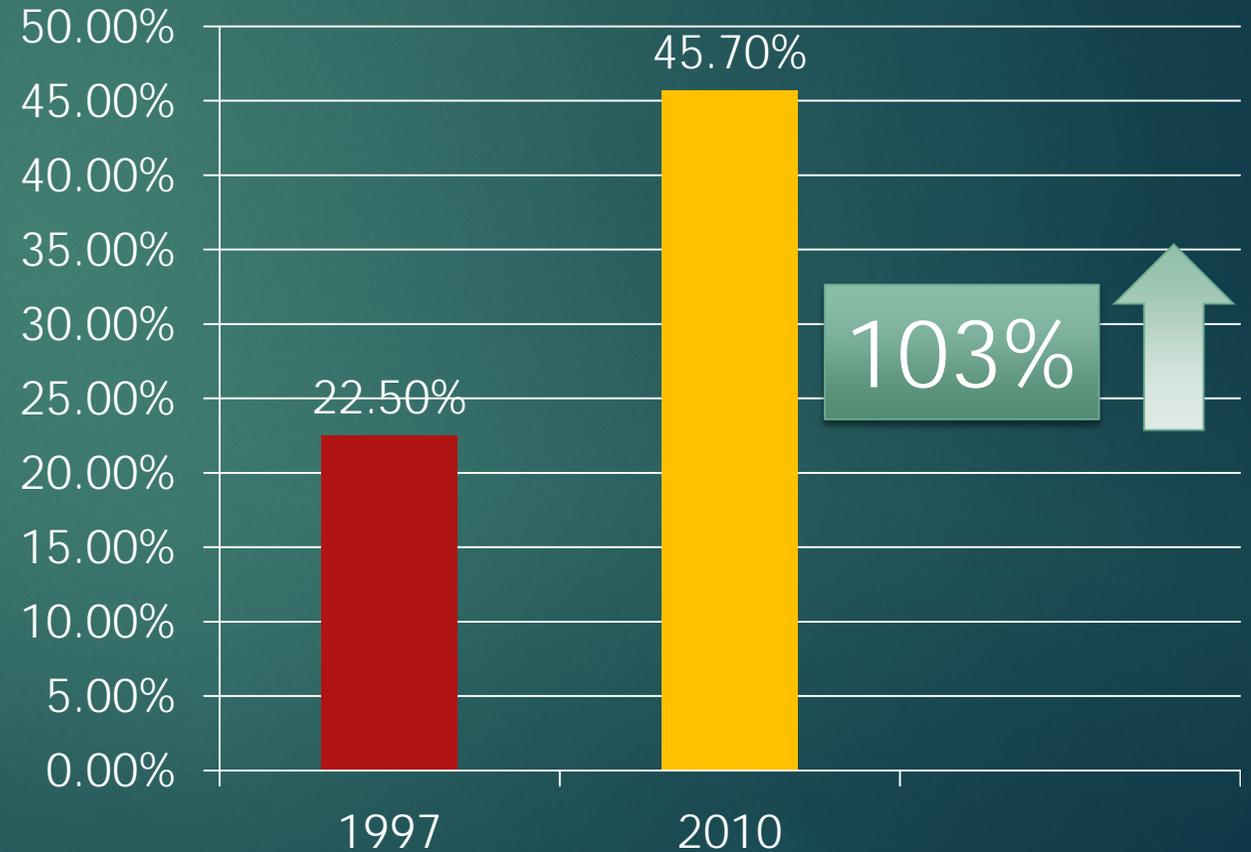
- ▶ Dental Task Force (DTF)
- ▶ Coalition of Public-Private Stakeholders
- ▶ *Alabama Smile 2000*

# Success of the Current Model: Results of Reform

## Providers



## Utilization

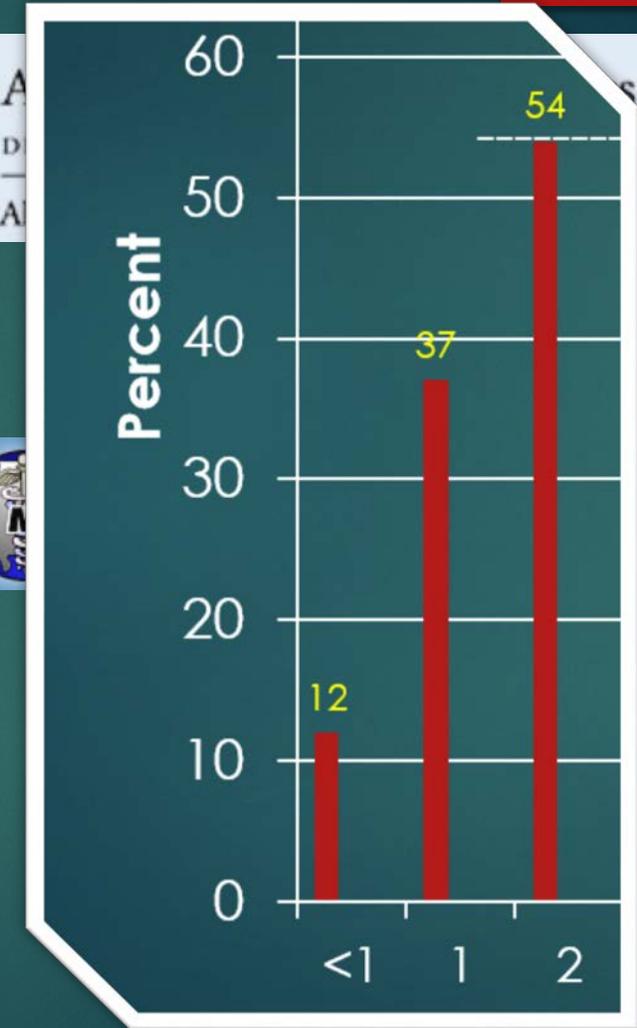




## Success of the Current Model: 1<sup>st</sup> Look

- ▶ Collaboration
- ▶ Focus: Prevention and a dental home by age 1
- ▶ Trained over 400 physicians and other health care providers
- ▶ Results:

54% of Alabama Two Year olds have had a dental exam!



Children Under 3 Receiving Dental Care

# Success of the Current Model: 2010 Task Force on Program Improvement

- ▶ Initiated by Provider
- ▶ Commissioner formed committee of provider
- ▶ Task: Find cost neutral savings and make recommendations for reinvestment for program improvement
- ▶ FEB-JUL 2010, **Comprehensive Review** of all covered procedures
  - ▶ Scientific literature, provider surveys, academia
  - ▶ Standard of care, efficacy, age appropriateness, success rate

# Success of the Current Model: 2010 Task Force Results

- ▶ 21 Evidenced based Recommendations:
  - ▶ 13 codes eliminated, 4 fee reductions, 4 fee increases
  - ▶ Examples:
    - ▶ Eliminated rubber cup prophy for under 3y
    - ▶ Reimbursement reduction to multi-surface restorations:
      - ▶ 41% reduction in this poor outcomes procedure

# Success of the Current Model: 2010 Task Force Results

- ▶ Analysis by Lister Hill Center, SEP 2010
- ▶ Approved by Medicaid and DTF DEC 2010
- ▶ Implemented FEB 2011

	2011	2012
Net totals of projected savings	\$4,977,372	\$5,730,305
Net totals of projected new expenditures	\$3,314,282	\$3,546,694
Difference between projected savings and projected expenditures	\$1,663,090	\$2,183,611

# Success of the Current Model

AMA Quality Strategy 

**Vision:**

To optimize health outcomes of Medicaid beneficiaries by

- Improving clinical quality
- Transforming the health care delivery system for Alabama Medicaid
- Reducing costs

IMPROVING CLINICAL QUALITY



## Use of Dental Services in Medicaid and CHIP

January 2015



January 2015



*Centers for Medicare & Medicaid Services*

# Medicaid/CHIP

## Health Care Quality Measures

**Table 1. Preventive Dental Services: Percentage of Eligible Children Ages 1 to 20, Enrolled for at Least 90 Continuous Days, who Received Preventive Dental Services, as Submitted by States for the FFY 2013 CMS-416 Report (n = 49 states)**

State	Denominator	Percentage
U.S. Total	31,363,390	46.0 (Mean) 47.5 (Median)
Alabama	538,297	51.7
Alaska	88,544	42.1
Arizona	728,715	45.5
Arkansas	371,415	50.2
California	4,887,231	36.6
Colorado	459,768	50.5
Connecticut	315,582	59.5
Delaware	99,675	46.3
D.C.	88,617	49.6
Georgia	1,084,128	50.1
Hawaii	146,156	43.9
Idaho	181,043	55.6
Illinois	1,568,087	52.1
Indiana	590,232	38.3
Iowa	285,916	49.5
Kansas	245,995	45.6
Kentucky	490,234	42.6
Louisiana	757,670	48.1
Maine	133,001	39.7
Maryland	601,951	52.9
Massachusetts	539,394	53.8
Michigan	1,115,872	40.1
Minnesota	438,766	38.2
Mississippi	376,413	47.6
Montana	83,874	47.5
Nebraska	176,152	52.2
Nevada	228,322	44.9
New Hampshire	99,733	55.9
New Jersey	701,710	47.0
New Mexico	346,229	51.4
New York	2,130,392	40.8
North Carolina	1,054,704	48.8
North Dakota	43,996	28.9
Ohio	1,275,085	20.7
Oklahoma	538,893	46.5
Oregon	342,262	39.6
Pennsylvania	1,122,519	40.0
Rhode Island	104,656	41.2
South Carolina	627,725	50.8
South Dakota	86,159	40.9
Tennessee	757,647	48.7
Texas	3,111,399	52.7
Utah	191,741	51.6
Vermont	57,789	58.9
Virginia	626,932	48.2
Washington	753,036	55.0
West Virginia	195,554	46.0
Wisconsin	522,082	25.3
Wyoming	52,077	40.9

Source: Mathematica analysis of FFY 2013 CMS-416 Reports (annual EPSDT report), Lines 1b and 12b, as of August 4, 2014.

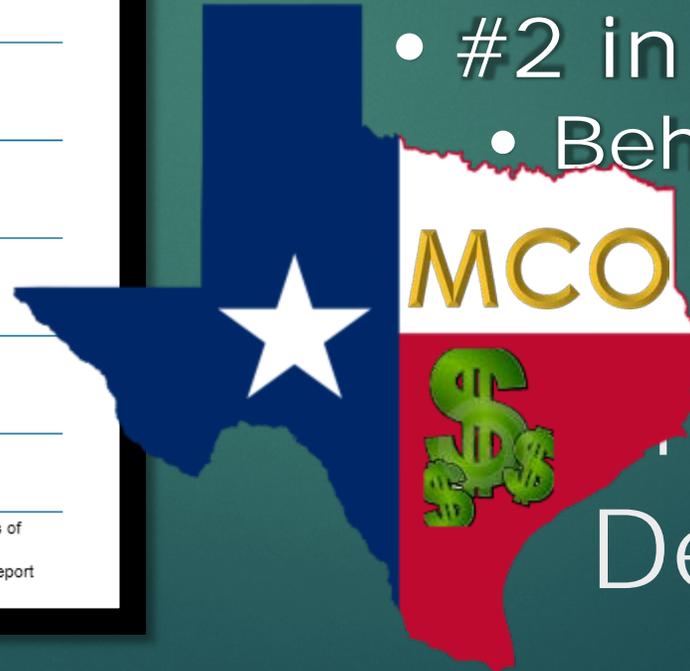
Notes: The term "states" includes the 50 states and the District of Columbia. Florida and Missouri did not report final data for this measure for FFY 2013 as of August 4, 2014.

Alabama 51.7%

• Ranks #10 in nation!

• #2 in South

• Behind TX at 52.7%



Preventive  
Dental Services

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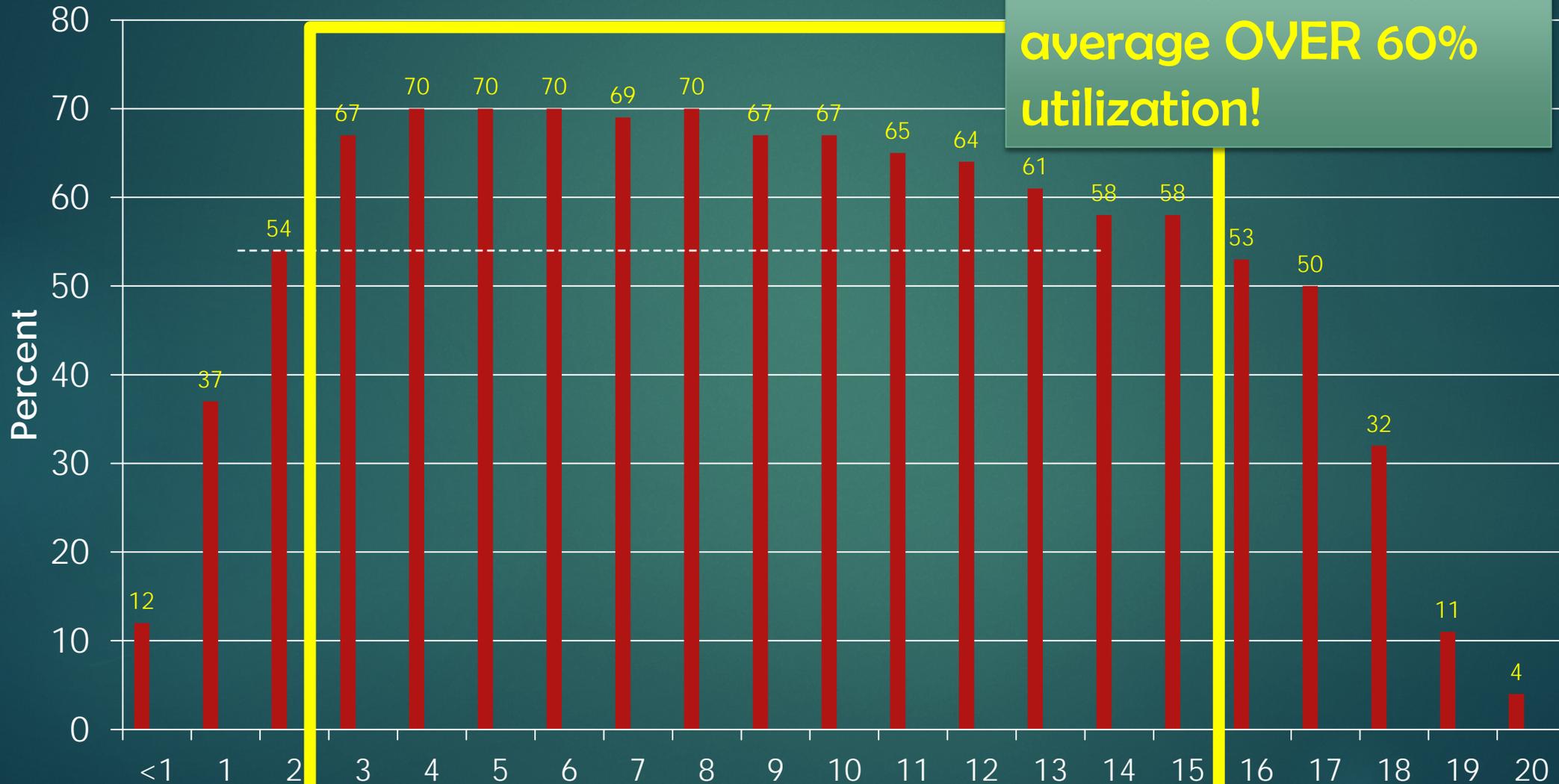
Notes: The term "states" includes the 50 states and the District of Columbia. Florida and Missouri did not report final data for this measure for FFY 2013 as of August 4, 2014.

# States Not Contracting with Managed Care:

Rank	State	% Preventive Services
1	Alabama	51.7%
6	Arkansas	26.9%
8	Arizona	22.8%
3	Connecticut	29%
2	Idaho	29.1%
10	Maine	17.1%
4	Montana	27.6%
11	North Dakota	14.2%
7	Oklahoma	25.9%
5	Virginia	27.3%
9	Wyoming	22.6%

# Medicaid Dental Utilization by Age

## FY 2014



# Children Receiving Restorative Care

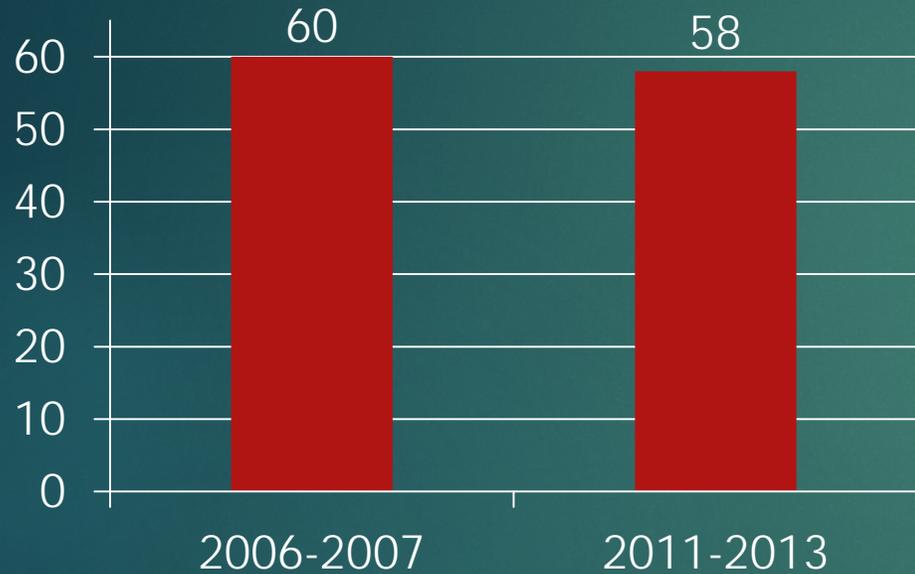
- Fewer Alabama children require restorative care (lower 1/3<sup>rd</sup>)
- Next to lowest in South (Only Kentucky is lower)



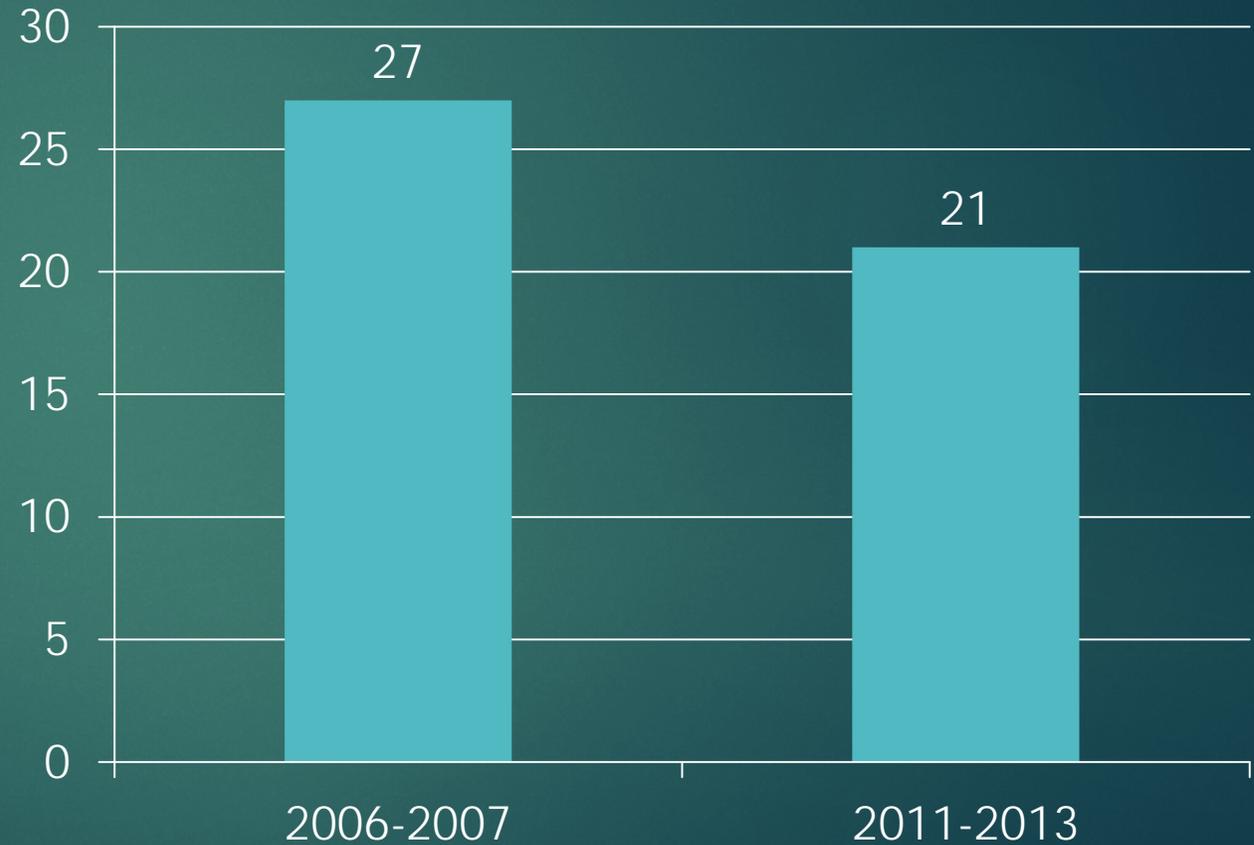
# Alabama 3<sup>rd</sup> graders caries prevalence: Changes over time



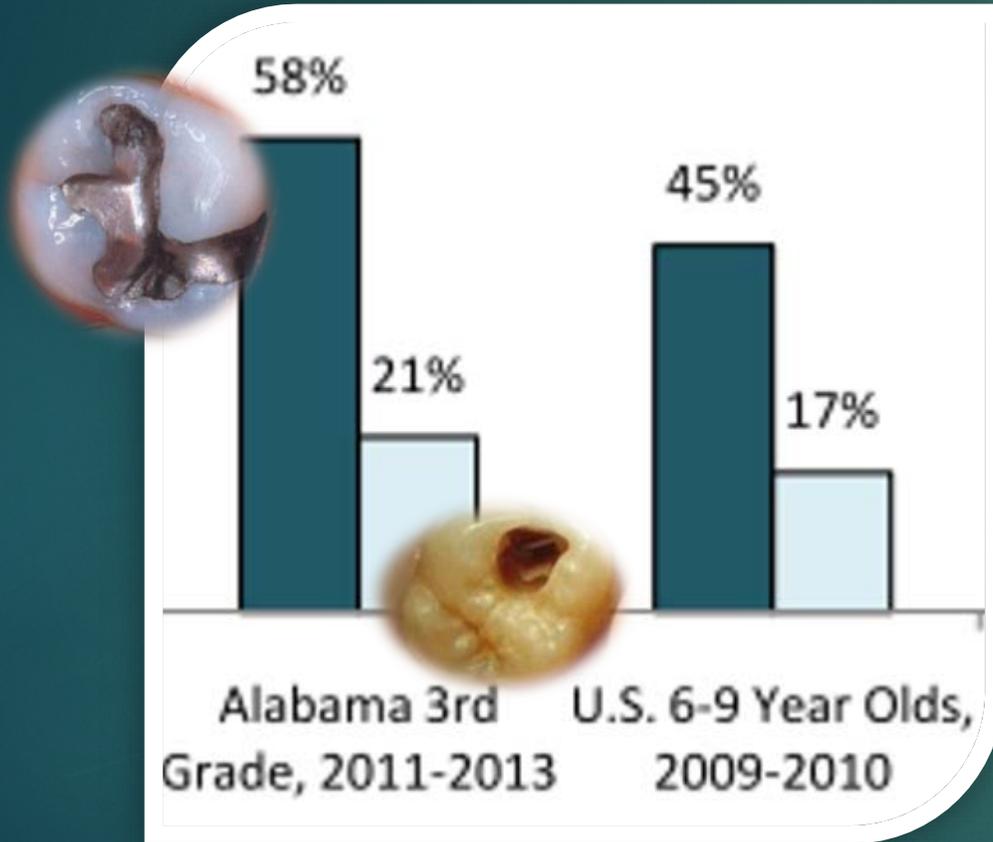
Treated or Untreated Decay



Untreated Decay



# Alabama 2013 report on caries prevalence in 3<sup>rd</sup> graders



## The Oral Health of Alabama's Kindergarten and Third Grade Children Compared to the General U.S. Population and Healthy People 2020 Targets

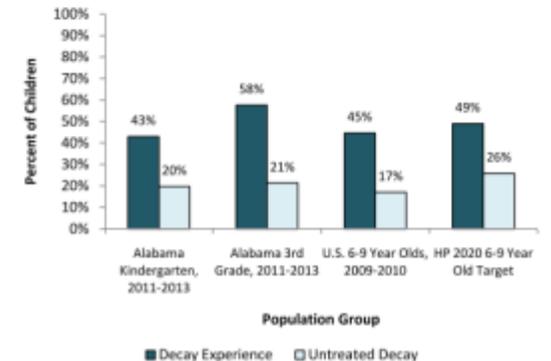
### Data from the Alabama Oral Health Survey, 2011-2013

- About half of Alabama's kindergarten and third grade children (50%) had a history of decay in their primary or permanent teeth, compared to 45% of 6-9 year old children in the general U.S. population. The Healthy People (HP) 2020 for 6-9 year olds target is 49%.
- About one-fifth of Alabama's kindergarten and third grade children (20%) had untreated decay. This compares to 17% of 6-9 year-old children in the general U.S. population and a HP 2020 target of 26%.
- More than one out of four (29%) third grade children in Alabama had at least one dental sealant on a permanent tooth; similar to the prevalence among the general U.S. population and the HP 2020 target for 6-9 year olds (32% and 28% respectively).
- Some oral health disparities still exist in Alabama with low-income children having the highest prevalence of decay experience and untreated decay.

Good oral health is important to a child's social, physical and mental development. Even though tooth decay can be prevented, most children in Alabama still get cavities. To assess the current oral health status of Alabama's elementary school children, the Alabama Department of Public Health coordinated a statewide oral health survey of kindergarten and third grade children in Alabama's public schools. A total of 9,057 children received a dental screening at 68 schools during the 2011-2012 and 2012-2013 school years. The sampling frame for the survey consisted of all public schools in Alabama with 20 or more children in third grade. This data brief presents information on the prevalence of tooth decay in the primary and permanent teeth of Alabama's kindergarten and third grade children compared to 6-9 year old children in the general U.S. population and the targets for Healthy People 2020. It also describes the prevalence of dental sealants, a plastic-like coating applied to the chewing surfaces of children's teeth to prevent tooth decay.

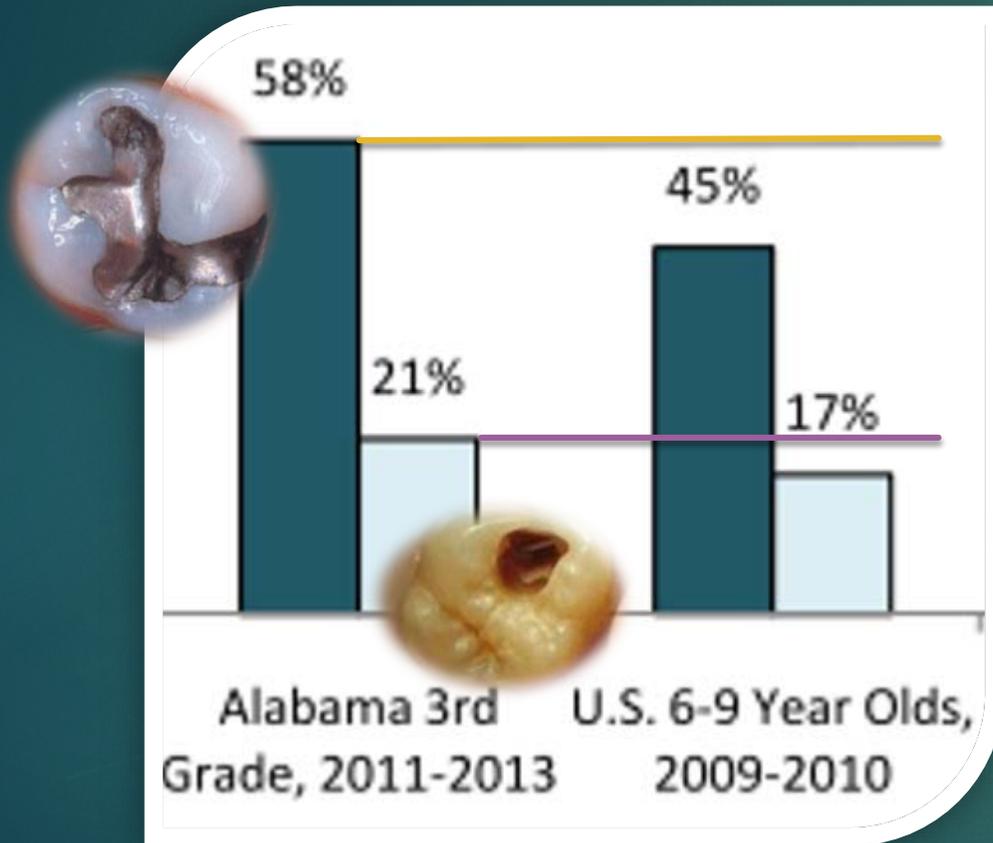
### Prevalence of decay experience and untreated decay.

Figure 1. Prevalence of decay experience and untreated tooth decay in the primary and permanent teeth of Alabama's kindergarten & third grade children compared to 6-9 year old children in the U.S. population and the Healthy People 2020 targets



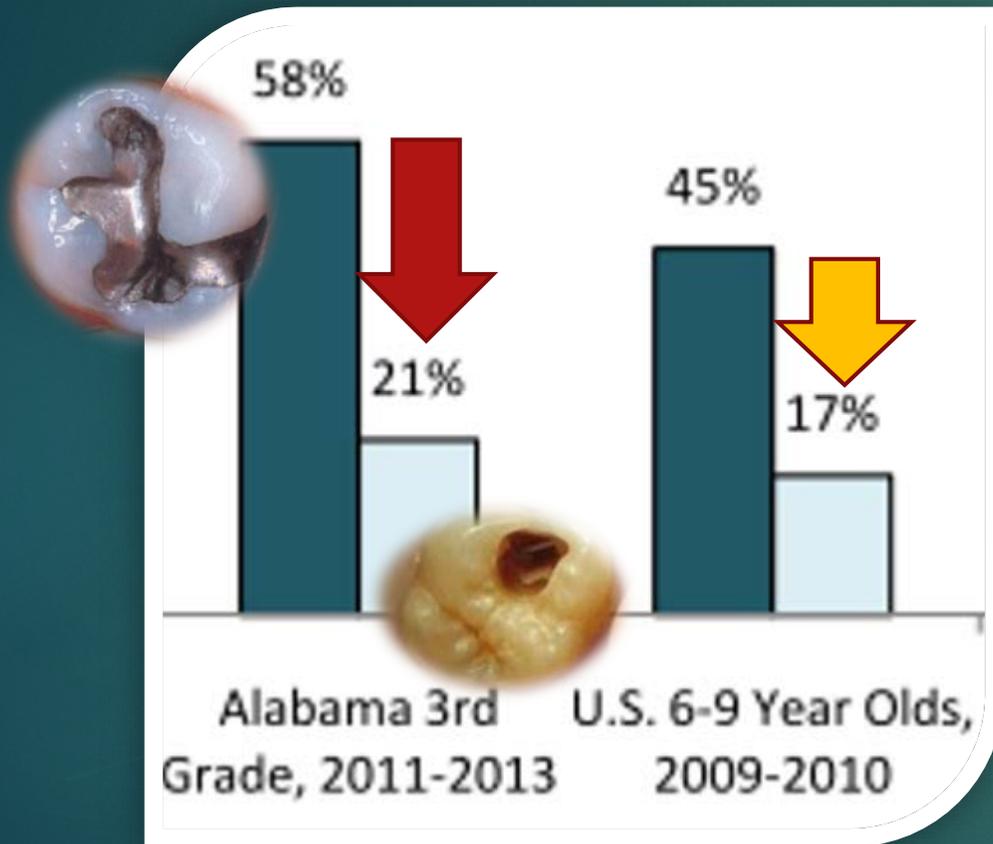
Sources: Alabama Oral Health Survey, 2011-2013  
National Health and Nutrition Examination Survey (NHANES), 2009-2010

# Alabama 2013 report on caries prevalence in 3<sup>rd</sup> graders



- Alabama starts with 13% higher prevalence than national average
- Only has 4% more untreated decay

# Alabama 2013 report on caries prevalence in 3<sup>rd</sup> graders



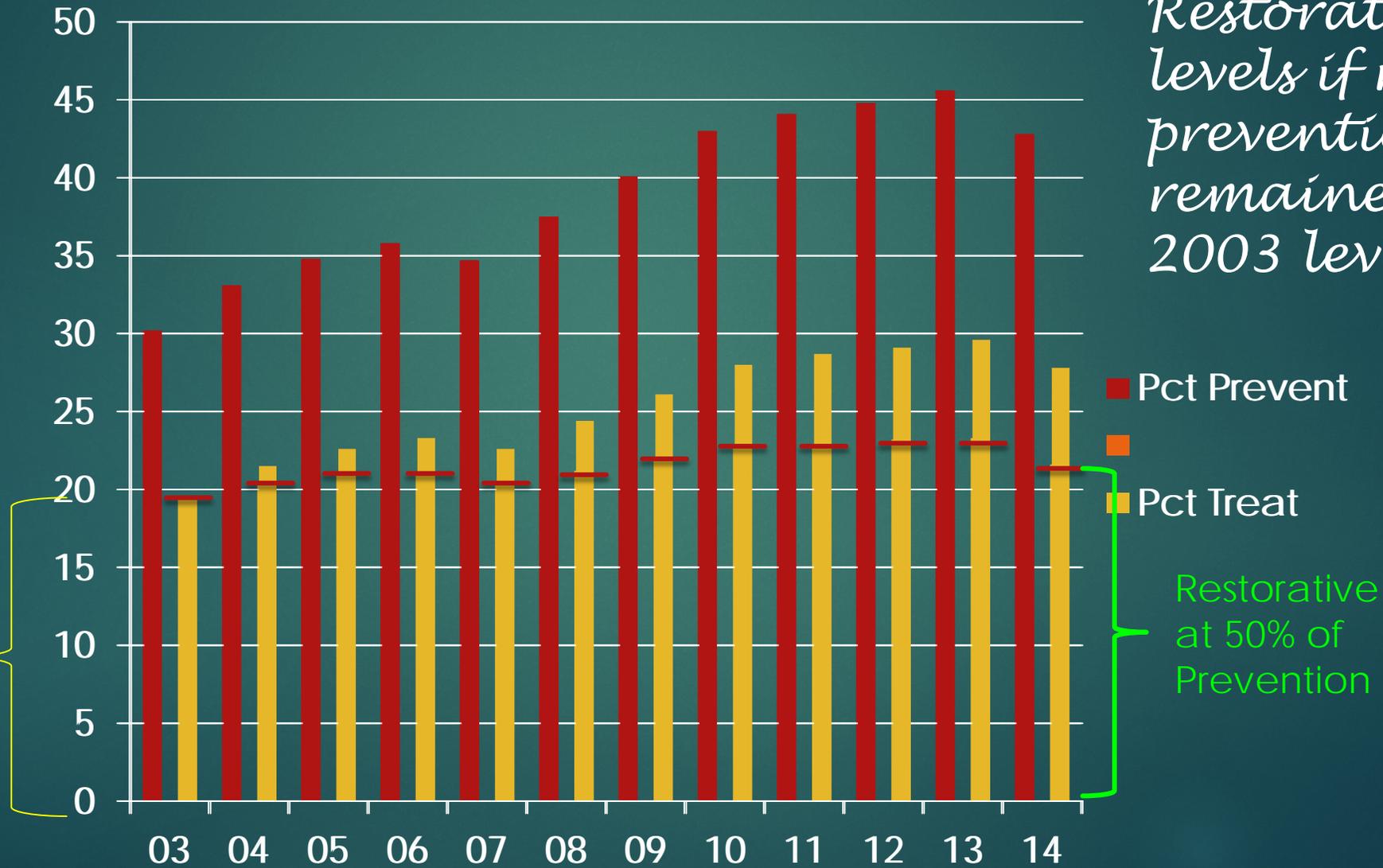
Alabama Restorative Care:

**37% treated**

National Average Restorative Care:

**28% treated**

# Preventive v Restorative Care



*Restorative levels if ratio to prevention remained at 2003 level (65%)*

Restorative  
65% of  
Prevention

Restorative  
at 50% of  
Prevention

# Children Receiving Restorative Care

- Why are fewer Alabama children requiring restorative care:

Prevention programs are working!



# Health equity

## Dental sealants (3<sup>rd</sup> grade only)



## Untreated decay (K & 3rd)



## Decay experience (K & 3rd)



0% 10% 20% 30% 40% 50% 60%

Alabama Department of Public Health Data Brief • February 2013

The Oral Health of Alabama's Kindergarten and Third Grade Children Compared to the General U.S. Population and Healthy People 2020 Targets

Data from: The Alabama Oral Health Survey, 2011-2013

- About half of Alabama's kindergarten and third grade children (48%) had a history of decay in their primary or permanent teeth, compared to 61% of 6-9 year old children in the general U.S. population. The Healthy People (HP) 2020 for 6-9 year olds target is 40%.
- About one fifth of Alabama's kindergarten and third grade children (20%) had untreated decay. This compares to 13% of 6-9 year old children in the general U.S. population and a HP 2020 target of 26%.
- More than one out of four (28%) third grade children in Alabama had at least one dental sealant on a permanent tooth, similar to the prevalence among the general U.S. population and the HP 2020 target for 6-9 year olds (31% and 26% respectively).
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Prevalence of decay experience and untreated decay.

Figure 1. Prevalence of decay experience and untreated tooth decay in the primary and permanent teeth of Alabama's kindergarten and third grade children compared to 6-9 year old children in the U.S. population and the Healthy People 2020 target.

Population Group	Decay Experience (%)	Untreated Decay (%)
Alabama Kindergarten Grade 2011-2013	48	20
Alabama 6-9 2011-2013	61	13
U.S. Population 6-9 2011-2013	61	13
HP 2020 6-9 Year Olds Target	40	26

Source: Alabama Department of Public Health, 2011-2013

“There was no difference in the prevalence of decay experience or untreated decay among racial/ethnic groups.”

# Success of the Current Model

AMA Quality Strategy 

**Vision:**

To optimize health outcomes of Medicaid beneficiaries by

- Improving clinical quality
- Transforming the health care delivery system for Alabama Medicaid
- Reducing costs

TRANSFORMING THE HEALTH DELIVERY SYSTEM

## Interdisciplinary Healthcare



“Early prevention of dental caries will ultimately result in improved oral health for high-risk Alabama children,” said Medicaid Commissioner Carol Steckel. “This partnership between Patient 1st medical providers and the dental community is a win-win effort that will significantly impact the overall health and well-being of the children we serve.”

# Innovative Health Delivery Systems

## Sarrell Dental Center

A Non-Profit For Alabama's Children

Forbes / Opinion

AUG 20, 2015 @ 6:00 AM 1,135 VIEWS

### Making Medicaid Work: Dentists For The Poor



## DOLLARS AND DENTISTS

June 26, 2012

FRONTLINE and the Center for Public Integrity investigate the shocking consequences of a broken dental care system.

## Systematic Screening and Assessment of Workforce Innovations in the Provision of Preventive Oral Health Services

Evaluability Assessment Site Visit Summary Report  
Sarrell Dental Program  
Anniston, Alabama

Forbes / Entrepreneurs

APR 23, 2013 @ 10:16 AM 18,844 VIEWS

### Disruptive Innovation: A Prescription For Better Health Care

# Stakeholder Involvement

## **Dental Task Force/Subcommittee**

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The Dental Task Force was created in 1997 to review dental program policies and rules and to make recommendations of dental practice standards for incorporation into the policies. The Dental Task force also reviews surveys and makes recommendations for dental program evaluations as well as general recommendations to address misuse, abuse and fraud.

## **Oral Health Coalition of Alabama/ Alabama Oral Health Strategic Team**

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The Oral Health Coalition and The Alabama Oral Health Strategic Team are committed to the dissemination of oral health information in order to build public awareness on the importance of good oral health in overall health. With the vision "to ensure every child in Alabama enjoys optimal health by providing equal and timely access to quality, comprehensive oral health care, where prevention is emphasized, promoting the total well-being of the child."

# Success of the Current Model

AMA Quality Strategy 

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REDUCING COSTS

# Provider Involvement

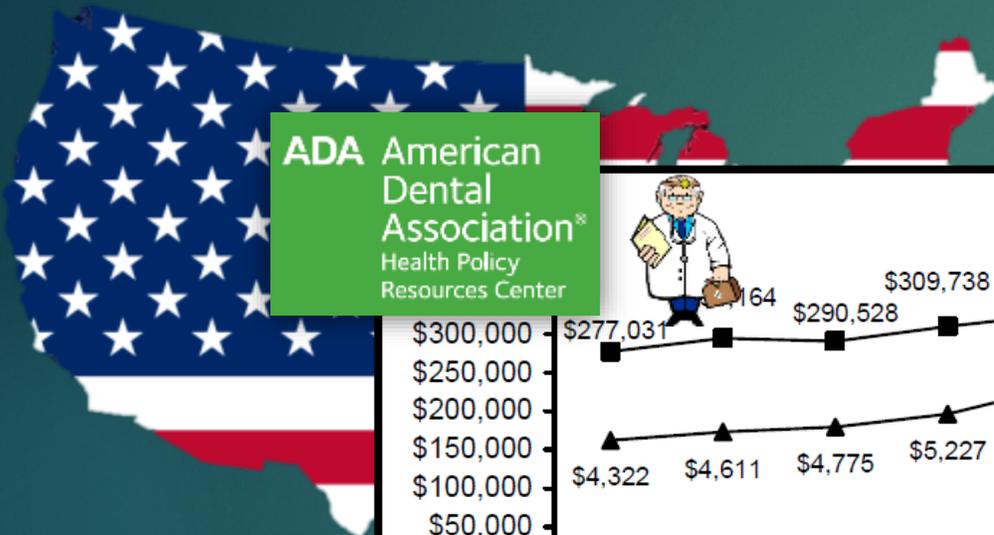
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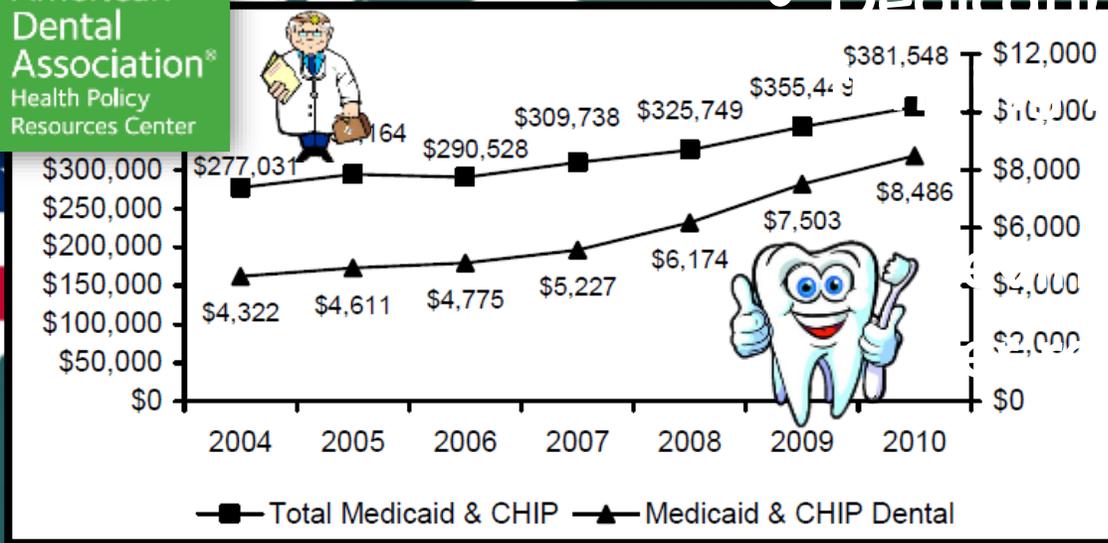
- ▶ 2011--\$1,663,090 in savings
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Medicaid responding to the  
voice of providers within the  
system

# Cost as % of total budget



ADA American Dental Association®  
Health Policy Resources Center



• Dedicating lower % of budget to dentistry  
 • Results measurably



2004 1.6%  
 2010 2.2%  
 2015 2.8% (projected at 0.13%/y)

2014 1.6%



2010 to 2014

Costs per treated recipient:

2010  
\$314 to 2014  
\$285



2.4%/year



**Dental Services Program Analysis**  
Annual Growth Rate – 2010 to 2014  
Dental Claims Only



	Diagnostic	Preventative	Treatment	FQHC	Total
Amount Paid	3.5%	2.7%	1.3%	9.3%	2.2%
Amount Paid Full Rate	4.8%	4.0%	2.6%	9.3%	3.5%
Amount Paid BCBS Rate	5.7%	6.3%	4.3%	9.3%	5.1%
Avg. Paid Per Unit	-1.0%	-1.4%	-1.1%	4.1%	-1.5%

Presented by Medicaid at August 14 meeting

# Current Medicaid Dental Structure:

AMA Quality Strategy



## Vision:

- ✓ To optimize health outcomes of Medicaid beneficiaries by
  - Improving clinical quality
  - Transforming health care delivery system for Alabama Medicaid
  - Reducing costs

1. Nationally recognized, highly ranked program.
- 1: Implementing interdisciplinary healthcare
- 2: Reducing restorative needs.
- 2: Environment fostering new
- 3: Achieving Health Equity
1. Percentage of total budget below national norms
3. Providers are engaged in process
2. Cost per recipient are coming down
3. Provider recommendations are making "smarter" use of funds



Evidence based predictions for  
other models functioning in  
Alabama

# Rising costs in Medicaid due to increasing eligibles

- ▶ Medicaid reported 4.7% increase in unique recipients in 2014
  - ▶ Cost per recipient went DOWN
  - ▶ Claims per recipient went DOWN
- ▶ Overall costs went up

## Bottom line:

**Unless the number of eligible decreases, cost will increase no matter what form the program takes.**

# How can this be addressed?

## Option 1: Reduce Provider Reimbursement

- ▶ Multiple studies show that provider reimbursement is directly correlated with access to care
- ▶ Alabama is currently already operating with 16y old rates:
  - ▶ Results in our state are already “statistical outliers”
- ▶ If access drops below levels CMS accepts they will intervene
- ▶ Federal cases in multiple states have ruled rates must cover costs of dentist

**Bottom line:**

**Provider reductions risk overwhelming  
the Alabama system**

# How can this be addressed?

## Option 2: Restrict patient access

- ▶ Federal rules regulate eligibility
- ▶ Two methods have been documented:
  - ▶ Limiting number of providers
  - ▶ Increasing bureaucracy
- ▶ Federal guidelines are currently being updated to respond to concerns about this issue
- ▶ Federal court rulings have stipulated programs must have “acceptable administrative burden”

### **Bottom line:**

**Access restrictions could prove to be resource intensive**

# How can this be addressed?

## Option 3: Eliminate waste

- ▶ Quality assurance is important

But to impact budget requires large scale wastes

- ▶ Alabama does not have:
  - ▶ Large corporate chains
- ▶ Alabama does not have orthodontic services



Texas saw 83% reduction in orthodontic service payments in first six months of managed care

Medscape Medical News

**US Senate Report Calls for Corporate Dentistry Reforms**

Laird Harrison

**Corporate dentistry bleeds Medicaid, vulnerable low-income children**

By Debbie Hagan  
January 8, 2015

**Complaints About Kids Care Follow  
Smiles**

osenbaum,

 **INVESTIGATIVE REPORT ON THE  
CORPORATE PRACTICE OF DENTISTRY**

How can this be addressed?

Option 3: Eliminate waste

**Bottom line:**

**Alabama would have to eliminate needed care and  
not waste to impact the budget**

# Administrative Costs

- ▶ Alabama currently pays ~3% in overhead
  - ▶ 97% of Alabama Medicaid dental funds goes directly to patient care
- ▶ Any program that increases that costs takes money from patient care

## **Bottom line:**

**We cannot identify any area where savings could be realized without harming Alabama's children**

# We conclude with one voice:

- ▶ The Alabama Dental Medicaid Program as currently configured has achieved the vision of the Alabama Medicaid Program
- ▶ The Alabama Dental Medicaid Program should remain separate from the current Medicaid restructure
- ▶ The Alabama Dental Medicaid as currently configured is the best option for continuing to serve the children of Alabama with quality dental care in an affordable way

