



Dental Managed Care: The Alabama Impact

Prepared for Alabama Dental Care Workgroup

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Attendees

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Wakely Consulting Group, Inc.*

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Corporate Overview

Overview of MCNA

- For over 20 years, the MCNA organization has been a premier underwriter and administrator of dental benefits with a focus on providing exceptional service for **Medicaid, Children's Health Insurance Program (CHIP), and Medicare** members.
- MCNA serves over **3 million children and adults** nationwide, with operations in **Texas, Louisiana, Florida, Kentucky, and Indiana**.
 - MCNA is the sole dental benefit plan manager for all of the Medicaid and CHIP enrollees in Louisiana.
 - MCNA administers dental benefits for half of the Medicaid and CHIP enrollees in Texas.
- We are a family-owned business headquartered in **Fort Lauderdale, Florida**, with regional offices in **San Antonio, Texas** and **New Orleans, Louisiana**.

Overview of MCNA

- MCNA was founded by Dr. Jeffrey P. Feingold, a Florida-licensed Periodontist and Diplomate of the American Board of Periodontology.
- With over 500 employees, MCNA has the infrastructure and experience to deliver **best-in-class dental benefits management** to our clients.
- MCNA has been licensed by the Florida Office of Insurance Regulation since 1992, licensed as an accident and health insurer in Texas since 2011.

Quality Assurance Focus

- In 2014, MCNA became the first dental plan in the nation to receive full **Dental Plan Accreditation** and **Claims Processing Accreditation** from **URAC**.
 - Our Chief Dental Officer, Dr. Ronald Ruth, currently serves on the URAC Advisory Board.
- We are certified by the **National Committee for Quality Assurance (NCQA)** in Credentialing and Recredentialing.
- MCNA is a member of the **Dental Quality Alliance (DQA)**, a national organization established by the **American Dental Association** to advance performance measurement as a means to improve oral health, patient care, and safety through a consensus-building process.



Actuarial Analysis

Alabama Analysis

- MCNA retained the actuarial services of the Wakely Consulting Group, Inc. to provide a comparative analysis of the experience of MCNA managed Medicaid children's dental programs in several states with the experience of children covered under Alabama Medicaid.
- MCNA received fiscal year 2013 (October 1, 2012 through September 30, 2013) Alabama dental claims and high level enrollment data from the Alabama Medicaid Agency for children ages 0 to 20.
- The analysis was performed for the purpose of determining whether savings can be achieved by moving the current Medicaid Dental Program from a FFS model to a managed care program.

Summary of AL Claims Experience

Table 1

Medicaid AL Dental Experience

Fiscal Year 2013 (October 2012 to September 2013), Children Ages 0-20

Class of Service	Annual Procedures/1,000	Paid/ Procedure	Paid PMPM
Class I	3,261.3	\$21.21	\$5.76
Class II	911.9	\$79.21	\$6.02
Class III	139.6	\$104.81	\$1.22
Misc	238.8	\$35.32	\$0.70
Total	4,551.6	\$36.13	\$13.71

Class I: Fluoride, Preventive & Diagnostic, Sealants

Class II: Endodontics, Non-Surgical Periodontics, Posterior Restorations, Simple Extractions, Surgical Extractions / Complex Oral Surgery Surgical Periodontics

Class III: Bridges / Dentures / Prosthodontics, Implants, Specialty Restorative / Crowns

Class IV: Orthodontics

Misc: Anesthesia, Emergency Care

Comparison to Managed Care

- Using data from MCNA managed Medicaid and CHIP child dental experience in other states, Wakely compared MCNA managed care experience in other states with experience in Alabama in order to understand differences in treatment patterns and costs.
- The general approach was to apply MCNA utilization data (at the CDT procedure code level) in other states to Alabama FFY2013 average unit costs per service to calculate comparative costs.
- Wakely also looked at the number of utilizers of any dental service during the year as a percentage of all enrollees to normalize for variance in plan size.

PMPM Cost Comparison

Table 2
Comparative Cost PMPM Based on Fixed Alabama Fees
Fiscal Year 2013 (October 2012 to September 2013), Children Ages 0-20
Medicaid and CHIP (Except FL)

Class of Service	AL	FL (CHIP Only)	KY	LA	TX
Class I	\$5.76	\$7.84	\$5.97	\$6.23	\$9.13
Class II	\$6.02	\$3.56	\$5.59	\$4.37	\$6.65
Class III	\$1.22	\$0.36	\$0.94	\$1.08	\$1.44
Misc.	\$0.70	\$0.11	\$0.14	\$0.37	\$0.49
Total	\$13.71	\$11.88	\$12.64	\$12.05	\$17.72
Utilizer Rate	50.9%	52.6%	47.1%	48.6%	61.9%
Cost Comparison to AL					
PMPM		(\$1.83)	(\$1.07)	(\$1.66)	\$4.02
In Percentages		-13%	-8%	-12%	29%
Amount of Difference		(\$11,681,060)	(\$6,828,865)	(\$10,597,584)	\$25,699,174

**The results in Table 2 show that costs are generally consistent with the percentage of unique utilizers.

Claims Cost by Class of Service

Table 3

Costs by Class as a Percentage of Total

Fiscal Year 2013 (October 2012 to September 2013), Children Ages 0-20

Medicaid and CHIP (Except FL)

Class of Service	AL	FL (CHIP Only)	KY	LA	TX
Class I	42.1%	66.0%	47.2%	51.7%	51.5%
Class II	43.9%	30.0%	44.3%	36.3%	37.6%
Class III	8.9%	3.0%	7.4%	8.9%	8.1%
Misc.	5.1%	1.0%	1.1%	3.1%	2.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Procedure Level Comparison

To understand the sources of the cost differences among different states, Wakely compared utilization rates by specific procedure code. Below are key findings:

- Alabama utilization for D9230 (Nitrous) is about 6 to 9 times higher than the utilization rate in FL and KY, and about 30-40% higher than the utilization rate in LA and TX.
- There is significant utilization for Panoramic Films (D0330) in Alabama.
- Alabama utilization for bitewings is higher than MCNA utilization in other states.
- Alabama utilization for extractions related to an erupted tooth is 28% to 80% higher than the other states.
- Sealant utilization in Alabama is 18% to 85% lower than all other states.
- MCNA utilization for prophylaxis is up to 25% higher than Alabama utilization.
- Utilization for comprehensive oral evaluations for new and established patients in Florida, Kentucky, Louisiana, and Texas is 26% to 273% higher than in Alabama.

Utilization Conclusions

- Tables 2 and 3 indicate that there are potential savings to Alabama when compared to the other states.
- Class I costs as a percentage of the Alabama total are lower than MCNA in all cases; whereas, Class II and III percentages tend to be higher.
- This means that Alabama funds are being spent on more costly restorative and therapeutic care rather than on preventive services.
- Shifting this dynamic will result in savings for the state and improved oral health outcomes for the Medicaid population.

Savings Analysis

- A comparison to Florida, Kentucky, and Louisiana* indicates that an **average annual savings of up to \$9,700,000 or 11%** may be possible after the full impact of moving to a managed care program is realized.
- That savings estimate is based on FY2013 Alabama membership and is contingent on achieving distributions of procedures and utilizer rates comparable to those experienced in other MCNA-managed states.

**Texas is excluded from the savings calculation as an outlier due to the very rich benefit structure and unique program characteristics.*

Conclusions

Dental Managed Care Impact

- In Louisiana and Texas, managed care programs were introduced within the past few years, and studies have been conducted to assess the impact of these programs as compared with the prior FFS systems.
- The table below illustrates the savings:

Dental Benefit Program Managed Medicaid Savings versus FFS	
State	Savings Achieved
LA	13.9%
TX	28.4%

- Sources:
 - Texas - “Texas Medicaid Managed Care Cost Impact Study” by Milliman (2/11/15).
 - Louisiana - “Revised Louisiana Dental Benefit Program Capitation Rate Certification” letter from Mercer Government Human Services Consulting (4/16/14).

Summary of Analysis

- Costs PMPM for Alabama, Florida, Kentucky, and Louisiana are fairly comparable. Texas is an outlier due to factors related to benefit design, cost structure, and utilization pattern.
- Utilization comparisons between Alabama and MCNA states point to a general pattern of fewer comprehensive or periodic exams, and preventive services being performed in Alabama.
- MCNA managed care programs in Louisiana and Texas have both produced significant savings by moving to a dental program benefit management approach.
- Based on the Wakely analysis of the information provided, MCNA believes that the Alabama program could potentially achieve savings of up to \$9,700,000 once the full impact of the dental managed care program is realized.

Next Steps for Alabama

- In order to achieve higher utilization rates, dental care for Medicaid enrollees must be **actively managed**.
- Active management includes outreach and education to enrollees and their families, community organizations and schools, primary and specialty care providers, and other advocacy groups.
- MCNA looks forward to continuing our dialogue with the dental stakeholders and policy makers in Alabama and encourages the **authorization and implementation of a statewide, full-risk dental managed care program** with two dental plans.