

State of Alaska FY2009 Governor's Operating Budget

Department of Health and Social Services Adult Preventative Dental Medicaid Svcs RDU/Component Budget Summary

RDU/Component: Adult Preventative Dental Medicaid Svcs

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

The Adult Preventative Medicaid Dental RDU contributes to the department's mission to provide health care to Alaskans in need by managing the dental needs of adults enrolled in Medicaid.

Core Services

The Adult Preventative Medicaid Dental program provides restorative and preventive dental services under an annual \$1,150 limit per person. Funds support services for improvement of oral health and reduction in emergency dental services. Covered services include most routine restorative dental services including exams, cleanings, tooth restoration or extraction, and upper or lower full dentures.

The Medicaid program is a jointly funded, cooperative entitlement program between federal and state governments to assist in the provision of adequate and competent medical care to eligible needy persons.

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: \$10,267,000	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

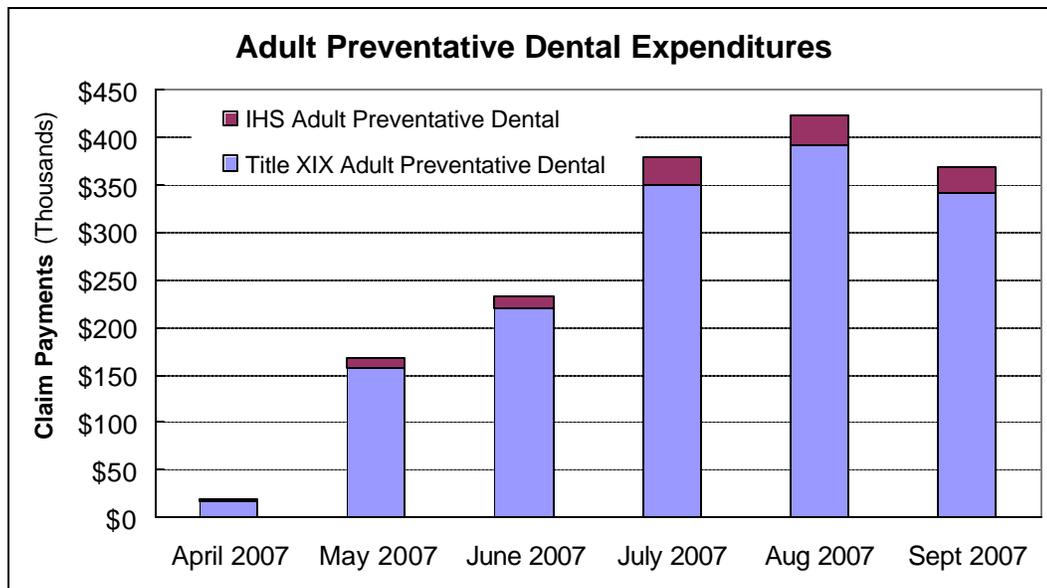
- A key to the successful implementation of the adult preventative Medicaid dental program is adequate provider capacity (the extent of dental access through tribal and community health center dental programs, and the extent of private dental participation in the Medicaid program). Because of the limited number of dentists and available appointments for new clients, it is expected that some adults will only be able to visit the dentist once or twice in a year. DHSS is meeting with the Alaska Dental Society to encourage more participation of private dentists in the Medicaid program.
- This RDU was established by passage of HB 105 in FY2006. The bill has provisions in place to keep total program costs within the fiscal limits set by the legislature. There is an annual cap of \$1,150 for dental services for each individual. Total spending must remain within the budgeted amount. If costs will exceed the budget, the annual cap must be adjusted.
- The Adult Preventative Medicaid Dental program was established with a three-year sunset which provides a trial period and an opportunity to evaluate the program. The program will be up for reauthorization in FY2009. If not reauthorized, the program will end June 30, 2009.
- The projected spending for FY2009 is \$9,088.9 (\$5,183.8 Fed/3.905.1 match). The FY2008 authorized amount of \$10,292.0 is adequate, but the expected 40% IHS participation has not materialized as of end of September 2007. If this continues, it will result in shortfall of state match.

Significant Changes in Results to be Delivered in FY2009

- Prior to the creation of this RDU only emergency dental care was offered to relieve pain or to fight acute infection. This service expansion makes available preventive and restorative dental services, in addition to the existing dental emergency services, for adults enrolled in the Medicaid program.
- The budget estimate includes projected costs for increased transportation as a result of the service expansion as well as annual changes in utilization. This utilization increase is partially off-set as some adults with longer program eligibility begin to have their treatment needs decrease as preventative and restorative work is completed.
- The department anticipates reducing emergency dental treatment needs as a result of the preventive and restorative dental service implementation. Medicaid program staff will monitor emergency dental service expenditures to assess the impact of the new benefits.
- With only six months of claims data available (only 3 months in the current FY08 fiscal cycle) there is not enough data to forecast the number of eligible individuals that will use the new services (participation). The HB105 fiscal note estimated that 41,000 individuals would be eligible for expanded Medicaid preventative and restorative dental benefits based on the number of adults, seniors, and disabled adults enrolled in Medicaid during FY03, but not all eligible persons were expected to use the new program. Fiscal note calculations assumed that 29% of eligible adults would use services in the first year (11,890 persons in FY07), 34% in the second year (13,120 persons in FY08), and 39% in the third year (15,800 persons in FY09). If participation for FY08 and FY09 is recalculated based on current annual enrollment statistics (44,400 eligible adults in FY07) about 14,200 persons will file claims in FY08 and about 17,300 will file claims in FY09. This implies higher expenditures than estimated for HB105 but projections based on early claims experience indicate lower numbers of claim submissions and lower total claim costs.
- If July to September 2007 claims data is predictive of overall FY08 activity, the budgeted amount for FY08 (\$10,292.0) will be adequate to cover projected expenditures (\$7,723.0). The budgeted amount for FY09 (\$10,292.0) should also cover projected expenditures (\$9,088.9). However the department is not confident that the early data reflects what the level of utilization of services or total annual costs will be by year end as the program is fully implemented and provider problems are resolved.
- The apparent low participation and cost of services provided during the first six months of the program might be due to delayed utilization of services caused by prior authorization requirements and late implementation of the program, limited access to services, lack of information (potential beneficiaries not understanding that these services are now available under Alaska's Medicaid program), or other issues. The department will re-evaluate participation, utilization, and claim costs before the end of the third-quarter of FY08 and address the need to lower the annual cap in FY2009 to remain within the overall expenditure estimated in the fiscal note.

Major Component Accomplishments in 2007

- FY2007 was the first year of the Adult Preventative Dental Medicaid Services program. .



- IHS claims accounted for about 7% of monthly preventative dental claims by the end of September 2007. The lower than expected IHS utilization could be an artifact of the longer lag time for Medicaid billing from tribal programs as compared with private dental offices, or the requirement for prior authorization of preventative services could be reducing provider participation or delaying services to clients. However, it is more likely that tribal programs lack adequate provider capacity to fully meet dental service demands from both child and adult beneficiaries. This typically results in prioritization of children's dental services, with Alaska Native adults referred to private dental offices. Additionally, there are some indications that the new dental services have not fully been appreciated by tribal beneficiaries in remote areas of the state. Preliminary analysis, based on the first six months of claim payments, indicates that tribal participation will not meet the level that was estimated in the fiscal note for HB105. The department will evaluate claims data before the end of the third-quarter of FY08, revise projected spending for adult preventative dental services, rebalance fund sources to reflect changed IHS participation, and address the need to lower the annual cap in FY2009 to remain within the overall expenditure estimated in the fiscal note.

Statutory and Regulatory Authority

AS 47.07 Medical Assistance for Needy Persons
AS 47.25 Public Assistance

Administrative Code;
7 AAC 43 Medical Assistance
7 AAC 100 Medicaid Assistance Eligibility

Social Security Act:
Title XIX Medicaid
Title XVII Medicare

Code of Federal Regulations:
42 CFR Part 400 to End

Contact Information

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**Adult Preventative Dental Medicaid Svcs
Component Financial Summary**

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	418.5	10,292.0	10,267.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	418.5	10,292.0	10,267.0
Funding Sources:			
1002 Federal Receipts	251.6	7,323.9	5,348.3
1003 General Fund Match	56.8	1,543.1	3,518.7
1092 Mental Health Trust Authority Authorized Receipts	110.1	1,425.0	1,400.0
Funding Totals	418.5	10,292.0	10,267.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	251.6	7,323.9	5,348.3
Restricted Total		251.6	7,323.9	5,348.3
Total Estimated Revenues		251.6	7,323.9	5,348.3

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	1,543.1	7,323.9	1,425.0	10,292.0
Adjustments which will continue current level of service:				
-FFY09 Federal Medical Assistance Percentage (FMAP) Rate Change for Medicaid	258.1	-258.1	0.0	0.0
-FY09 Medicaid Program Fund Change	1,717.5	-1,717.5	0.0	0.0
-Reverse FY2008 MH Trust Recommendation	0.0	0.0	-1,425.0	-1,425.0
Proposed budget increases:				
-MH Trust: Cont - Adult Dental Medicaid	0.0	0.0	1,400.0	1,400.0
FY2009 Governor	3,518.7	5,348.3	1,400.0	10,267.0