

Appendix II : State Case Studies

Medicaid Adult Dental Benefits: California Case Study



In 2014, California restored most dental benefits to Medicaid-enrolled adults, following a cutback in the midst of a deep budget deficit in 2009. The state's implementation of the Affordable Care Act's (ACA) Medicaid expansion factored into the decision to restore dental benefits. There are continuing concerns around access to care for the now 12 million state Medicaid enrollees with dental benefits.

History

In 2009, in the midst of a \$42 billion budget deficit stemming from the financial crisis and recession, California cut back longstanding dental coverage for adults age 21 and older enrolled in Medi-Cal, the state's Medicaid program. Only very limited benefits remained, covering emergency services, extractions, and some oral surgery services for all adults. Pregnant women and individuals in skilled nursing facilities or intermediate care facilities for individuals with developmental disabilities were not subject to the reduced benefits. As the state's fiscal picture improved, adult benefits were partially restored through the 2013 state budget, Assembly Bill 82.¹ State officials estimate that the restored benefits, which went into effect in May 2014, cost approximately \$70 million.

This partial restoration of adult benefits happened in the context of the ACA's Medicaid expansion, which increased total Medi-Cal enrollment to approximately 12 million individuals. State officials noted that their goal around Medicaid expansion was to offer all adults the same benefit package. They also noted that the availability of enhanced federal funding for the Medicaid expansion population was a positive factor with respect to the

financial viability of bringing back adult dental benefits.

Approach and Implementation

The Medi-Cal dental program includes two delivery systems: dental managed care, and the Denti-Cal fee-for-service program. Dental managed care is available only in Sacramento County, where enrollment is mandatory, and Los Angeles County, where it is voluntary. Denti-Cal fee-for-service is available in all other counties of the state.²

The benefits that were restored include exams, x-rays, fillings, root canals on front teeth, and full dentures.³ Coverage for root canals on back teeth and treatment for gum disease were not returned. There is a yearly "soft cap" of \$1,800 in benefits, although this limit can be exceeded if medical necessity can be proven.⁴

Though final figures on utilization of dental services by Denti-Cal-enrolled adults since the restoration of benefits will not be ready until later in 2015, state officials report that utilization has picked up, with some evidence of pent-up demand among adults for restorative and denture services

that had been eliminated. *Health Affairs* recently published an article noting an increase of 1,800 visits per year to hospital emergency departments for dental conditions following the cutback.⁵

Given the restored benefits and enrollment expansion, state officials noted the need to closely monitor provider capacity and enrollees' access to dental care. Provider participation and program administration were noted by Denti-Cal as issues in a recent state auditor's report on children's access to dental care. Provider payments were reduced by 10 percent in September 2013⁶ (for 10 common procedures, the auditor estimated that California's rates were 35 percent of the national average). The report also voiced concerns about whether adults that were newly eligible for dental services might crowd out children seeking care.⁷ In response to the audit findings, state officials must develop a corrective action plan to address recommendations. The state has met with stakeholder groups to establish additional measures of beneficiary utilization and provider participation in the fee-for-service program. The state is also working on an active procurement of an administrative services contractor and fiscal intermediary contractor for the Medi-Cal dental program.⁸

Key Leadership and Partnerships

Senator Darrell Steinberg, former president pro tempore of the California Senate, was a key legislative champion keep restoration of adult benefits a priority in the state budget. Sen. Steinberg became engaged in the issue after attending CDA Cares, a charity event organized by the California Dental Association (CDA), and being deeply affected by the event. He recalled seeing the health effects and human cost of unmet dental needs, including seeing the large number of people needing tooth extractions. After a state tax measure passed, there were sufficient state revenues to prioritize increased spending on a limited number of issues, and the senator advanced adult dental coverage with the support of his caucus. He noted that the measure wasn't controversial among his colleagues, but that high-level leadership was necessary to raise the profile of adult dental cov-

erage and make it a priority.⁹

The CDA was a major supporter of the effort to restore benefits, and worked with legislative staff on developing several options for the benefit. Interviewees also noted the participation and support of the state oral health coalition, the state primary care association, and advocacy groups including The Children's Partnership, which has had longstanding involvement in oral health policy issues.

Looking Forward

Interviewees all indicated, while adult dental benefits are always vulnerable due to their optional status, they were confident that since the state was in a more sustainable fiscal situation they did not see future cuts on the horizon. State officials remain focused on ensuring access to dental care for Medi-Cal beneficiaries. Budget discussions at the legislature have included a proposal to restore the remaining adult dental benefits.¹⁰

Following our interviews, stakeholders including the CDA successfully advocated for a reversal of the 2013 rate cut, effective July 1, 2015.¹¹ Stakeholders are continuing to consider strategies to enhance feeds for targeted services. Making adult coverage more available through Covered California, the state's health insurance marketplace, is also a priority for oral health stakeholders.

California is also examining ways to bring dental care closer to individuals who need it. The state recently enacted legislation to permit Medicaid reimbursement to dentists who provide dental care via telehealth.¹² This legislation supports programs such as the Virtual Dental Home, a model where dental hygienists and assistants provide preventive and limited restorative services in community settings like nursing homes, schools, and Head Start sites, with connection via telehealth to a supervising dentist. The Children's Partnership and CDA are partnering in support of legislation for \$4 million in grants to support start-up costs of Virtual Dental Home projects in 20 communities for equipment, training, learning collaboratives, and technical assistance.¹³

Footnotes

1. California Assembly Bill 82, signed June 27, 2013. Retrieved May 28, 2015. http://www.leginfo.ca.gov/pub/13-14/bill/asm/ab_0051-0100/ab_82_bill_20130612_amended_sen_v98.pdf.
2. California Department of Health Care Services, "Medi-Cal Dental Managed Care Overview." Retrieved May 28, 2015. <http://www.denti-cal.ca.gov/WSI/ManagedCare.jsp?fname=ManagedCareOverview>.
3. California Department of Health Care Services, "Restoration of Some Adult Dental Services in 2014," Denti-Cal Provider Bulletin, Volume 29 Number 14 (August 2013). Retrieved May 28, 2015. http://www.denti-cal.ca.gov/provsrvcs/bulletins/Volume_29_Number_14.pdf.
4. California Department of Health Care Services, "\$1800 Beneficiary Cap Adjustment," Denti-Cal Provider Bulletin, Volume 30 Number 8 (May 2014). Retrieved June 8, 2015. http://www.denti-cal.ca.gov/provsrvcs/bulletins/Volume_30_Number_8.pdf.
5. Astha Singhal, et. al., "Eliminating Adult Dental Coverage in California Led to Increased Dental Emergency Visits and Associated Costs," *Health Affairs* 34:5, (May 2015): 749-756.
6. California Assembly Bill 97. Approved by Governor March 24, 2011. Retrieved June 8, 2015. http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_0051-0100/ab_97_bill_20110324_chaptered.html.
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9. Interview with former Sen. Darrell Steinberg, April 2, 2015.
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12. California Assembly Bill 1174. Approved by Governor September 27, 2014. Retrieved May 29, 2015. http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB1174.
13. California Assembly Bill 648. Introduced February 24, 2015, Retrieved May 28, 2015. http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0601-0650/ab_648_bill_20150224_introduced.htm.