

**State of Alaska
FY2016 Governor Amended Operating
Budget**

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

Component: Adult Preventative Dental Medicaid Svcs

Contribution to Department's Mission

Provide health care to Alaskans in need by enhancing the emergent dental services available to adult Medicaid recipients.

This component of Alaska Medicaid is under the programmatic oversight of the DHSS Division of Health Care Services.

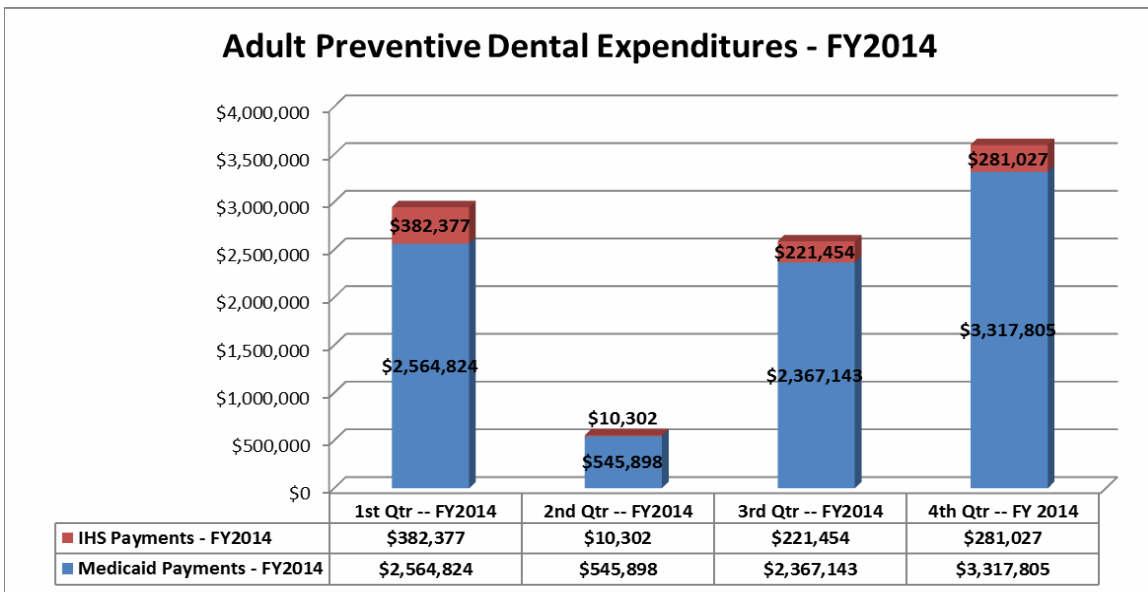
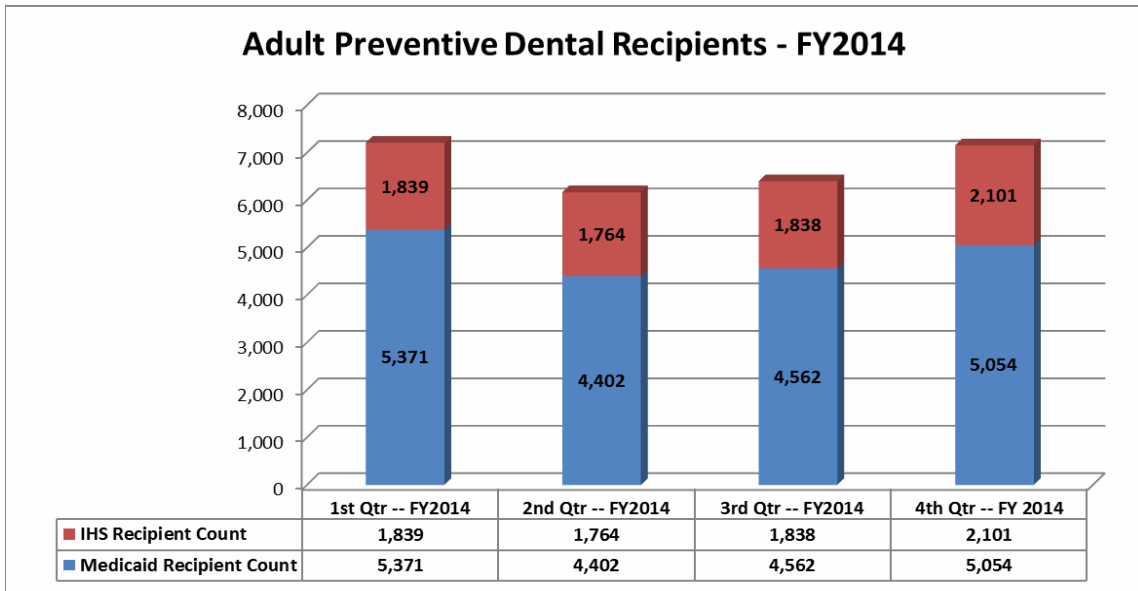
Core Services

- Preventive dental care
- Diagnostic examinations and radiographs
- Restorative dental services

Major Component Accomplishments in 2014

- During FY2013 the department increased the number of enrolled dentists by 46 percent over the previous year and the percentage of enrolled dentists who see Medicaid patients increased slightly from 50 percent in FY2013 to 51 percent in FY2014. Increased enrollment is attributed, in part, to rate increases based on changes in the U.S. Department of Labor Consumer Price Index. While the increase in enrollment is encouraging, half of all dentists enrolled as Medicaid service providers in FY2014, still chose to not provide services to Medicaid patients. Department Core Services 1.1, 2.1, and 2.2, Division Core Services 2 and 4
- Tribal dental health significantly expanded their reach to tribal beneficiaries through increased utilization of dental health aide therapists. Certified by the Alaska Tribal Health System, dental health aide therapists work under the supervision of state licensed and Medicaid enrolled dentists and perform limited preventive and emergency dental services including fluoride treatment, temporary fillings, simple extractions, and local anesthesia. Tangential to increased utilization of dental health aide therapists is a reduction in travel required for individuals to receive basic dental services. During FY2014, 42 certified dental health aide therapists provided Medicaid services to 6,349 recipients throughout rural Alaska. Department Core Services 1.1, 2.1, and 2.2, Division Core Services 2 and 4
- In FY2014, the Adult Preventive Dentistry Program provided services to 26,931 (7,542 IHS and 19,389 non-IHS) individual recipients over the age of 21, an increase of 7.4 percent over the previous year. Department Core Service 1.1, Division Core Measures 2 and 4

The following charts reflect adult preventative dental and Indian Health Service dental utilization and expenditures for FY2014:



Note: The Division of Health Care Services makes every effort to ensure that reported numbers are as accurate as possible. However, due to possible defects in the new Health Enterprise Medicaid Management Information System, claims processing system (including converted historical records), the data provided in this report is to be considered a draft and may be updated in future iterations.

Key Component Challenges

Department Priorities, Core Services, and Division Core Services to Meet Department’s Mission

1. Health and Wellness Across the Lifespan

Core Service:

1.1 Protect and Promote the Health of Alaskans

2. Health care Access Delivery and Value

Core Service:

- 2.1 Manage Health Care Coverage for Alaskans in Need
- 2.2 Facilitate Access to Affordable Health Care for Alaskans

Division Core Services

- 2. Ensure Health Care Capacity to Meet Client Needs
- 4. Ensure Access of Clients to Health Care

- A key challenge for Adult Preventive Dental continues to be the number of enrolled dentists accepting Medicaid patients. Currently, 737 dentists are enrolled as Alaska Medicaid providers, however only 373 are scheduling appointments for Medicaid patients, with many of those strictly limiting the number of appointments available. Additionally, because dentists are located only in cities and large communities, Medicaid travel is required for those who reside in small and rural communities and whose needs cannot be served by dental health aide therapists.

Historically, reimbursement rates have been cited as a deterrent for dentists who consider enrolling as an Alaska Medicaid provider. As part of its ongoing efforts to address this challenge, the Department of Health and Social Services reviews dental rates annually to determine the need for rate adjustments based on changes in the U.S. Department of Labor Consumer Price Index.

Department Core Services 1.1, 2.1, and 2.2, Division Core Services 2 and 4

- Monitoring of complex adult dental program rules also continues to present challenges. Recipients receive up to \$1,150 annually in non-emergency dental benefits; however because this amount is insufficient for an individual to receive a full set of dentures, regulations were adopted to allow a recipient to combine two years of benefits, for a total of \$2,300. The complexity of these claims requires detailed monitoring and increases the likelihood of a claim requiring pend resolution. Additionally, although recipients who utilize this option benefit from receiving full dentures, in the second year they are left with little or no non-emergency coverage for other dental issues that may arise.

Department Core Services 1.1, 2.1, and 2.2, Division Core Services 2 and 4

Significant Changes in Results to be Delivered in FY2016

No changes in results delivered.

Statutory and Regulatory Authority

Alaska Statutes:

AS 47.07 Medical Assistance for Needy Persons

AS 47.25 Public Assistance

Administrative Code:

7 AAC 100 Medicaid Assistance Eligibility

7 AAC 105 - 7 AAC 160 Medicaid Coverage and Payment

Social Security Act:

Title XIX Medicaid

Title XVIII Medicare

Code of Federal Regulations:

42 CFR Chapter IV

Contact Information

Contact: Sarah Woods, Deputy Director

Phone: (907) 465-1631

Fax: (907) 465-2499

E-mail: sarah.woods2@alaska.gov

Adult Preventative Dental Medicaid Svcs Component Financial Summary			
		<i>All dollars shown in thousands</i>	
	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
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	9,690.8	15,885.3	21,266.5
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	9,690.8	15,885.3	21,266.5
Funding Sources:			
1002 Federal Receipts	5,283.9	9,338.1	14,719.3
1003 General Fund Match	4,406.9	5,765.3	5,765.3
1004 General Fund Receipts	0.0	781.9	781.9
Funding Totals	9,690.8	15,885.3	21,266.5

Estimated Revenue Collections				
Description	Master Revenue Account	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	5,283.9	9,338.1	14,719.3
Restricted Total		5,283.9	9,338.1	14,719.3
Total Estimated Revenues		5,283.9	9,338.1	14,719.3

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2015 Management Plan	6,547.2	0.0	0.0	9,338.1	15,885.3
Proposed budget increases:					
-Medicaid Expansion	0.0	0.0	0.0	5,381.2	5,381.2
FY2016 Governor Amended	6,547.2	0.0	0.0	14,719.3	21,266.5

Component Detail All Funds
Department of Health and Social Services

Component: Adult Preventative Dental Medicaid Svcs (AR23300) (2839)
RDU: Medicaid Services (595)

	FY2014 Actuals	FY2015 Conference Committee	FY2015 Authorized	FY2015 Management Plan	FY2016 Governor Amended	FY2015 Management Plan vs FY2016 Governor Amended	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	9,690.8	15,885.3	15,885.3	15,885.3	21,266.5	5,381.2	33.9%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	9,690.8	15,885.3	15,885.3	15,885.3	21,266.5	5,381.2	33.9%
Fund Sources:							
1002Fed Rcpts (Fed)	5,283.9	9,338.1	9,338.1	9,338.1	14,719.3	5,381.2	57.6%
1003G/F Match (UGF)	4,406.9	5,765.3	5,765.3	5,765.3	5,765.3	0.0	0.0%
1004Gen Fund (UGF)	0.0	781.9	781.9	781.9	781.9	0.0	0.0%
Unrestricted General (UGF)	4,406.9	6,547.2	6,547.2	6,547.2	6,547.2	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	5,283.9	9,338.1	9,338.1	9,338.1	14,719.3	5,381.2	57.6%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Health and Social Services

Component: Adult Preventative Dental Medicaid Svcs (2839)

RDU: Medicaid Services (595)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2015 Conference Committee To FY2015 Authorized *****												
FY2015 Conference Committee												
	ConfCom	15,885.3	0.0	0.0	0.0	0.0	0.0	15,885.3	0.0	0	0	0
1002 Fed Rcpts		9,338.1										
1003 G/F Match		5,765.3										
1004 Gen Fund		781.9										
Subtotal		15,885.3	0.0	0.0	0.0	0.0	0.0	15,885.3	0.0	0	0	0
***** Changes From FY2015 Authorized To FY2015 Management Plan *****												
Subtotal		15,885.3	0.0	0.0	0.0	0.0	0.0	15,885.3	0.0	0	0	0
***** Changes From FY2015 Management Plan To FY2016 Governor Amended *****												
Medicaid Expansion												
	Inc	5,381.2	0.0	0.0	0.0	0.0	0.0	5,381.2	0.0	0	0	0
1002 Fed Rcpts		5,381.2										

The change request for Medicaid Expansion is calculated by multiplying the estimated number of new enrollees from the expansion population for FY2016 by an estimated number of per-enrollee costs of Medicaid services for the expansion population in FY2016. Below is the breakdown for estimates of the size of the expansion population and the average cost per potential new enrollee.

1. The Expansion Population

To estimate the number of persons newly eligible for Medicaid expansion, the study relied on information collected by the Division of Public Health through the Behavioral Risk Factor Surveillance System (BRFSS) survey for 2012 and 2013 and population estimates and projections reported by the Alaska Department of Labor and Workforce Development (ADLWD). The BRFSS survey is a statewide household survey that collects detailed demographic, household, and health-related information on Alaskans. In this survey, adult respondents are asked their age, the number of other adults living in the home, the presence and ages of any dependent children living in the home, and household income.

The primary enrollees of Medicaid expansion are working-age adults 21–64 years of age who are not caring for dependent children, are not disabled or pregnant, and are at or below 138 percent of Federal Poverty Level (FPL). This group is currently not eligible for Medicaid in Alaska. In addition, Medicaid expansion affects a small number of other adults, 19–64 years of age that do not meet current income limits for Medicaid eligibility. Based on our analysis of the BRFSS data for 2012 and 2013, our midpoint estimate of the number of persons in the Medicaid expansion population is 41,910 for FY2016. Our lower and upper bound estimates of the expansion population are 34,833 and 48,988.

Approximately 43 percent of newly eligible adults do not have health insurance. Of those with health insurance, the most common forms of coverage are employer sponsored (19.6 percent) and partial coverage (29.3 percent). Another 3.4 percent did not know or refused to disclose if they had insurance. It is important to note that anyone with Medicare is not eligible for Medicaid through the expansion.

According to the study only 63 percent of newly eligible population will eventually enroll in Medicaid. In the study we call it the "Take up Rate". Also, only 76

Change Record Detail - Multiple Scenarios with Descriptions
Department of Health and Social Services

Component: Adult Preventative Dental Medicaid Svcs (2839)

RDU: Medicaid Services (595)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP

percent of those that will eventually enroll in Medicaid will actually enroll in the first year of the implementation, followed by 88 percent in the second year and 100 percent in the third year of implementation. In the study we call this "Lag Rate". By multiplying estimated expansion population (41,910 individuals) by 63 percent and multiplying it again by 76 percent we get 20,066 individuals who will enroll in the first year.

2. Per-Enrollee Spending on Medicaid Services for Newly Eligible

Because Alaska's Medicaid program does not currently serve the expansion population, we do not know with certainty how much expansion to the newly eligible enrollees will cost. There are, however, working-age adults enrolled in the Medicaid program who are a good proxy for the expansion population. The majority of these enrollees are enrolled through the Family Medicaid eligibility category, which is comprised of non-disabled adults who are eligible for Medicaid services due to being low income with dependent children. With the exception of having dependent children, we believe these enrollees are a good proxy for the expansion population.

Based on the analysis of data from the Department's Medicaid Budget Group, between FY2009 and FY2013, average spending per enrollee for adults in Family Medicaid grew on an average annual basis by just one percent to \$6,712 in FY2013. Over this same period, average spending per enrollee was little changed for all working-age adults (growing from \$12,282 to \$12,374). The substantial difference in average spending per enrollee is due to the fact that the overall working-age population includes individuals who are disabled or pregnant.

The estimated annual cost of Medicaid services for the expansion population varies by gender and age. For men, cost of service rises substantially from about \$3,500 per enrollees for those under 35 to just under \$7,200 for those between 55 and 64. For women, costs do not vary substantially by age, ranging from about \$7,500 for women under 35 to just under \$8,200 for women between 45 and 54.

Distribution of the Expansion Population by Gender and Age.

The study shows that this group will be mostly male (54 percent) and that about 21 percent of this group will be males between the ages of 19 and 34. This is important because this demographic group has significantly lower per-enrollee spending than all other gender-age cohorts.

We estimate that the average cost of services per newly eligible Medicaid enrollee for FY2016 will be about \$7,250, growing to \$8,400 by FY2021. Over this same period, we project that the per-person cost for currently eligible, non-disabled adult Medicaid enrollees will be several hundred dollars less each year. The difference in costs is due to the expansion population likely containing a relatively small number of persons with disabilities.

3. Estimated Costs of Medicaid Expansion.

The take-up rate (63 percent) was taken in consideration when estimating the number of new enrollees and represents the proportion of newly eligible that will ultimately enroll through the Medicaid expansion and the lag rate represents the percent of the take-up rate that will be achieved that year. Both the take-up and lag rate are from the 2014 study conducted by the Lewin Group for the State of Alaska. The Lewin assumption of the take-up rate is consistent with the few studies we are aware of that were conducted prior to the CY2014 expansion.

According to a study conducted in 2012 by the Kaiser Family Foundation, Medicaid participation rates in the Health Insurance Policy Simulation Model (HIPSM) average 60.5 percent among newly eligible people. Similarly, in 2012 Sommers et al estimated that Medicaid participation averaged 62.6 percent among eligible adults without private insurance, with state-level estimates ranging from 43 percent to but modified from calendar year to fiscal year.

Based on the results of this study, the estimated number of newly eligible population that will enroll in FY2016 is 20,066 enrollees. The average cost per newly eligible enrollee is estimated to be \$7,248. By multiplying the number of enrollees and the average cost per enrollee it results in \$145,438.4 of the total funds

Change Record Detail - Multiple Scenarios with Descriptions
Department of Health and Social Services

Component: Adult Preventative Dental Medicaid Svcs (2839)
RDU: Medicaid Services (595)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<p>needed for Medicaid Expansion in FY2016. Since in the first years of implementation of the Expansion the spending for the newly eligible population are going to be reimbursed by Federal government at 100 percent match rate, all the funds in this request are federal funds.</p> <p>Based on recent historical spending patterns by the proxy group, which mostly consists of current Medicaid enrollees in Family Medicaid, 3.7 percent of newly eligible enrollees will use Adult Preventative Dental Services resulting in \$5,381.2 in spending.</p>												
	Totals	21,266.5	0.0	0.0	0.0	0.0	0.0	21,266.5	0.0	0	0	0

Line Item Detail
Department of Health and Social Services
Grants, Benefits

Component: Adult Preventative Dental Medicaid Svcs (2839)
RDU: Medicaid Services (595)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
77000	Grants, Benefits		9,690.8	15,885.3	21,266.5
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
77000 Grants, Benefits Detail Totals			9,690.8	15,885.3	21,266.5
77670	Benefits	Medicaid Services for preventative and restorative dental services.	9,690.8	15,885.3	21,266.5
		This also includes payments for services for Medicaid clients who will be newly eligible through Medicaid expansion.			

Restricted Revenue Detail
Department of Health and Social Services

Component: Adult Preventative Dental Medicaid Svcs (2839)
RDU: Medicaid Services (595)

Master Account	Revenue Description				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51010	Federal Receipts				5,283.9	9,338.1	14,719.3
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51010	Federal Receipts		6214631	11100	0.0	9,338.1	14,719.3
	Medicaid Federal Collections- The bulk of the federal funding for the Medicaid benefits comes from claims reimbursed at the federal medical assistance percentage of FMAP. Additional Medicaid funds sources are IHS (Indian Health Services) at 100% FMAP for specific programs; Enhanced FMAP is for the State Children's Health Insurance Program (SCHIP); and, Breast and Cervical Cancer (BCC). Actual collections are based on the proportion of the expenditures eligible for each type of federal reimbursement.						
57301	Title XIX Map				5,283.9	0.0	0.0