

# **State of Alaska FY2019 Governor's 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 Department of Health and Social Services, Division of Health Care Services.

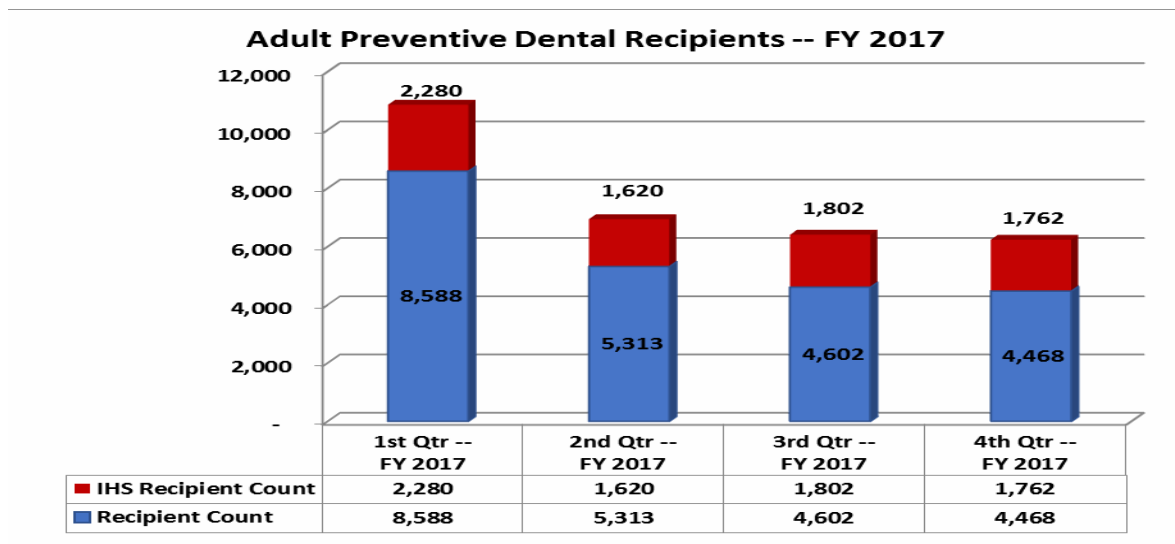
**Core Services**

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

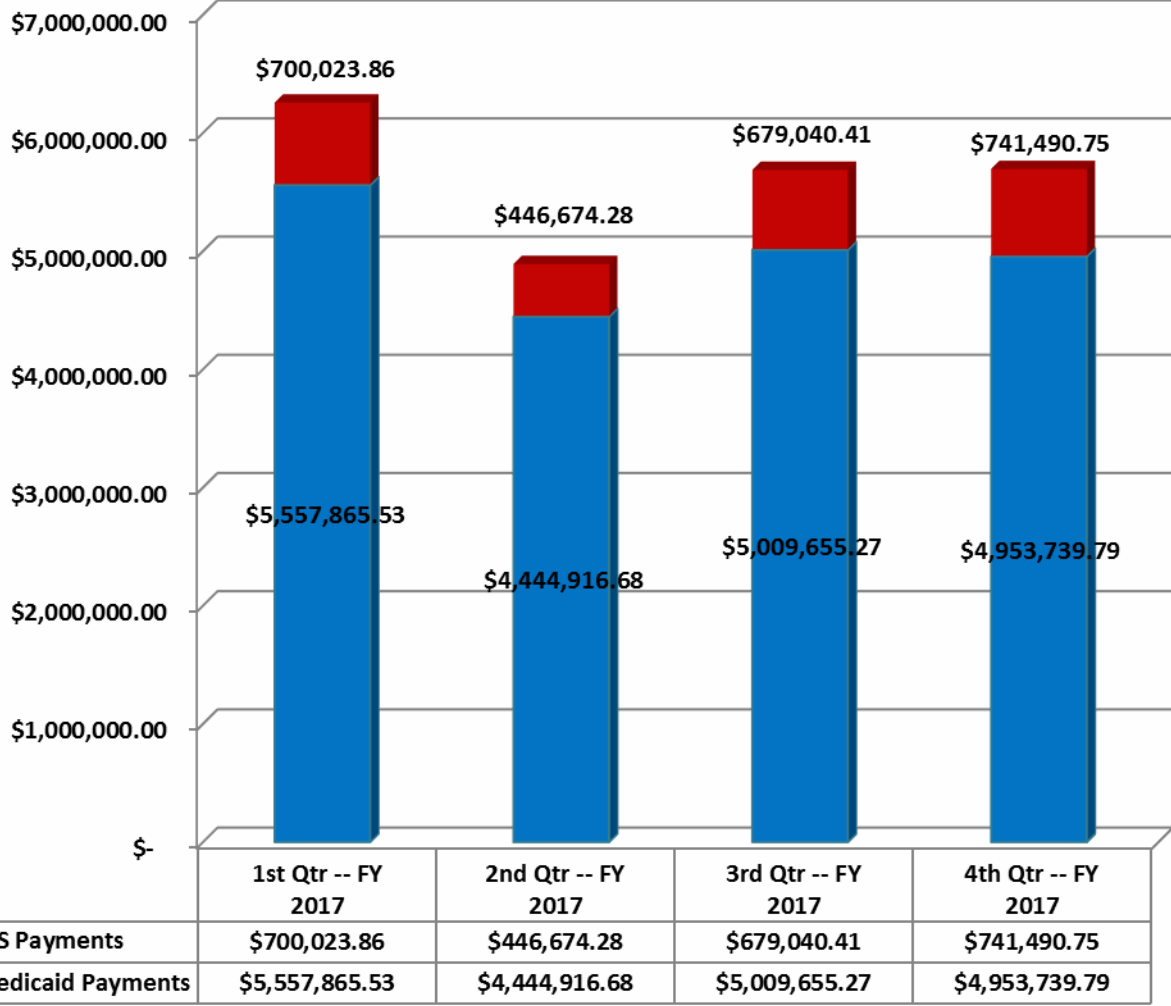
**Major Component Accomplishments in 2017**

- Proposed regulation changes were drafted to more closely align dental service limitations with that of private insurance carriers. The regulations, to be public noticed in FY2017, propose to limit payment for the replacement of dentures to no more often than once per five year period, and limit payment for dentures within the same dental arch to a maximum of three times per lifetime.
- The Adult Preventive Dental Program served 30,435 members age 21 and older during FY2017, a decrease of 1,880 members, or 5.8 percent less than the previous year.
- Adult Preventive Dental Program saw a 30.5 percent increase in benefits provided over the previous year. This increase is attributed primarily to Medicaid expansion's newly enrolled members seeking dental treatment that they were previously unable to afford.
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The following charts reflect adult preventative dental and Indian Health Service (IHS) dental utilization and expenditures for FY2017:



### Adult Preventative Dental Expenditures -- FY2017



### Key Component Challenges

- With few exceptions, Alaska’s dentists are located only in larger communities; consequently, costly Medicaid travel, including airfare and in some instances overnight lodging and meals, is necessary. Although dental health aide therapists meet some of the minor dental needs in small communities, dental-related travel continues to be one of the greatest, and the most costly, challenges to the Adult Preventive Medicaid program.
- Adult Medicaid members are allowed up to \$1,150.00 per year for non-emergent dental services. Members may utilize the upcoming year’s benefit allowance when the allowance for a single year is insufficient to cover the cost of dentures. The complexity of processing claims and monitoring benefit limits for individuals who have exercised this option is administratively burdensome and continues to challenge the program. Detailed monitoring is required, which increases the likelihood that a manual pend resolution will be required.

### Significant Changes in Results to be Delivered in FY2019

The Department will continue to explore ways to increase the cost-effectiveness of the adult preventive dental program and maximize its impact on adult Medicaid recipients.

## 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
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**Component Detail All Funds  
Department of Health and Social Services**

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

Formula Component

	FY2017 Actuals	FY2018 Conference Committee	FY2018 Authorized	FY2018 Management Plan	FY2019 Governor	FY2018 Management Plan vs FY2019 Governor	
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	22,072.9	15,650.2	15,650.2	15,650.2	27,004.5	11,354.3	72.6%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>22,072.9</b>	<b>15,650.2</b>	<b>15,650.2</b>	<b>15,650.2</b>	<b>27,004.5</b>	<b>11,354.3</b>	<b>72.6%</b>
<b>Fund Sources:</b>							
1002Fed Rcpts (Fed)	15,605.2	12,767.6	12,767.6	12,767.6	18,730.9	5,963.3	46.7%
1003G/F Match (UGF)	6,467.7	2,882.6	2,882.6	2,882.6	8,273.6	5,391.0	187.0%
<b>Unrestricted General (UGF)</b>	<b>6,467.7</b>	<b>2,882.6</b>	<b>2,882.6</b>	<b>2,882.6</b>	<b>8,273.6</b>	<b>5,391.0</b>	<b>187.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>15,605.2</b>	<b>12,767.6</b>	<b>12,767.6</b>	<b>12,767.6</b>	<b>18,730.9</b>	<b>5,963.3</b>	<b>46.7%</b>
<b>Positions:</b>							
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 FY2018 Conference Committee To FY2018 Authorized *****												
<b>FY2018 Conference Committee</b>												
	ConfCom	15,650.2	0.0	0.0	0.0	0.0	0.0	15,650.2	0.0	0	0	0
1002 Fed Rcpts		12,767.6										
1003 G/F Match		2,882.6										
<b>Subtotal</b>		<b>15,650.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>15,650.2</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2018 Management Plan To FY2019 Governor *****												
<b>FY2019 Medicaid Projections</b>												
	Inc	11,354.3	0.0	0.0	0.0	0.0	0.0	11,354.3	0.0	0	0	0
1002 Fed Rcpts		5,963.3										
1003 G/F Match		5,391.0										
<b>Totals</b>		<b>27,004.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>27,004.5</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

During production of the FY2018 budget the department did not anticipate the success of the federal claiming initiatives, such as the Tribal Health program and other reform efforts, as a result existing federal appropriations do not reflect the amount of revenue anticipated by the department. Additional federal authority is needed across the Medicaid RDU to enable uninterrupted payment of provider billings. In FY 2019 the savings created by the Tribal Health program associated with increased enrollment and service delivery is projected to level out and increases in enrollment for non-Medicaid expansion are expected to slow down.

The program-wide projected general fund expenditures for FY2019 is \$691,411.5. The FY2019 state general fund projection represents the difference between FY2018 GF projected expenditures plus an additional 4.36% increase to account for population and enrollment changes.

At this time uncertainty exists as to whether the Children's Health Insurance Program (CHIP) will be reauthorized by the Federal government. If CHIP is not reauthorized the federal reimbursement rate for eligible children will decline from 88% to 50%. If reauthorization does not occur an additional \$14,028.0 in additional state general fund authority would be required in order to continue providing Medicaid services to eligible children.

As in previous fiscal years, the department continues to implement multiple strategies to help address budget challenges, such as withholding schedule inflationary increases in certain payment rates; rate reductions for professional services; and some service reductions have succeeded in offsetting the anticipated shortfall and the projected state general fund expenditures for the state fiscal year are still less than those authorized for in earlier years.

In FY2015 the Medicaid program covered 163,505 unique individuals in the state of Alaska. In FY2017 218,385 individuals were enrolled in the program, about 40,000 through Medicaid expansion. In FY2019 it is projected that greater than 225,000 Alaskans will be covered by Medicaid, however, through significant coordination between the legislature and department to reform and find federal funding sources for the program, the projected general fund need in FY2019 is lower than the FY2015 budget.

**Line Item Detail (1676)**  
**Department of Health and Social Services**  
**Grants, Benefits**

**Component:** Adult Preventative Dental Medicaid Svcs (2839)

Line Number	Line Name		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
7000	Grants, Benefits		22,072.9	15,650.2	27,004.5
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
		<b>7000 Grants, Benefits Detail Totals</b>	<b>22,072.9</b>	<b>15,650.2</b>	<b>27,004.5</b>
7002	Benefits	Medicaid Services for preventative and restorative dental services.  This also includes payments for services for Medicaid clients who are/will be newly eligible through Medicaid expansion.	22,072.9	15,650.2	27,004.5

**Revenue Detail (1681)**  
**Department of Health and Social Services**

**Component:** Adult Preventative Dental Medicaid Svcs (2839)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
<b>5002 Fed Rcpts (1002 Fed Rcpts)</b>			<b>15,605.2</b>	<b>12,767.6</b>	<b>18,730.9</b>
5019 Federal - Miscellaneous Grants		Title XIX Medicaid.	15,605.2	12,767.6	18,730.9