

State of Texas

Medicaid Dental Review

October 2010

EXECUTIVE SUMMARY

The Centers for Medicare & Medicaid Services (CMS) is committed to improving pediatric dental care in the Medicaid program reflecting broad national interest and ensuring the appropriate provision of medically necessary dental services to children covered by Medicaid. The Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit for children under the age of 21 enrolled in Medicaid is intended to assure the availability and accessibility of health care services for children and to help beneficiaries effectively use them. The EPSDT benefit includes coverage of dental care.

As part of an ongoing effort to identify best practices and opportunities for improvement in children's Medicaid dental programs, CMS conducted a review the week of November 30 – December 4, 2009, of the State of Texas's Medicaid Dental program. The review focused on program innovations that have increased dental utilization. The review team consisted of staff representing the CMS Dallas and San Francisco Regional Offices and the Baltimore Central Office. Specifically, the review team interviewed State officials and staff representing the Texas Health and Human Services Commission (HHSC), the agency responsible for the administration of the Texas Medicaid program. In addition, the team interviewed a non-representative sample of six individuals from an interdisciplinary pool of dental providers and State dental stakeholders.

The intent of this review was to examine the utilization of the State's policies and procedures in fulfilling the requirements of the State's EPSDT benefit, with the focus on which practices have led to higher utilization of dental services in Texas than the national average.

This report identifies and explains the following innovative practices identified during the CMS review:

- Increase in dental rate reimbursement
- *First Dental Home Initiative*
- Oral Evaluation and Fluoride Varnish in the Medical Home Initiative
- Loan Repayment Program
- Dental Stakeholders Initiative

CMS looks forward to working with the State regarding children's dental issues.

INTRODUCTION

Background

In 2008, at Congressional request, CMS conducted on-site reviews of children's dental services in 16 States with dental utilization rates for children of less than 30 percent based on data from the EPSDT CMS 416 annual report. These reviews were performed to determine what efforts States have made to improve children's dental utilization in their State, and to make recommendations on additional actions States can take to increase utilization rates and ensure compliance with Federal Medicaid regulations. Results of these 16 reviews were presented to Congress in 2009.

As a follow-up to that effort, CMS conducted reviews of States that reported higher dental utilization rates. The States were selected based on a CMS review of State data and external partners' identification of Medicaid dental programs with promising initiatives in oral health. All of the States selected had an average utilization rate for children of at least 37 percent, with the national average being 38 percent. Eight States were reviewed, and information from those reviews is available to States for the purpose of improving the overall delivery of dental services.

Medicaid's Coverage of Dental Services

Through Medicaid's Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, Medicaid eligible individuals under the age of 21 are provided coverage for preventive and comprehensive health services. The benefit entitles eligible individuals to regular check-ups and all medically necessary health services in order to ensure that their health and developmental needs are met. The EPSDT benefit includes screenings, dental services, vision services, hearing services, and other services necessary to correct or improve health conditions discovered through screenings. The benefit consists of two mutually supportive, operational components which States and the Federal government are responsible for ensuring: the availability and accessibility of medically necessary health care and assisting Medicaid enrollees and their parents or guardians to effectively use the services. CMS is committed to improving pediatric dental care in the Medicaid program and ensuring the appropriate provision of medically necessary dental services to children.

Overview – Texas EPSDT Dental Program

The Texas Health and Human Services Commission (HHSC) is the State agency that administers both the Medicaid and CHIP programs. Dental services are delivered through Texas Health Steps (*THSteps*), the State's EPSDT program, which is administered by the Texas Department of State Health Services (DSHS). *THSteps* provides EPSDT services to children from birth through 20 years of age who are eligible for Medicaid. *THSteps* provides regular medical and dental checkups and case management services to babies, children, teens, and young adults at no cost to eligible families.

According to the 2008 CMS 416 report, almost three million children age 20 years and younger were eligible for Medicaid in Texas. Dental preventive and treatment services were provided for 1,428,376 children for at least one month, with a utilization rate of 49 percent. Almost 90 percent of children enrolled in Medicaid in Texas were enrolled in managed care for their medical care. Dental benefits are carved out of managed care, including fluoride varnish, with the exception of topical fluoride varnish provided by *THSteps* medical checkup; children receive

dental services by visiting any dentist enrolled with the State as a Medicaid provider, and no referral from the primary care provider is necessary. Through a pilot program which began in 2008, the very small population of Medicaid-enrolled foster children began receiving medical and dental health services coordinated through a managed care organization (MCO) that exclusively serves this vulnerable population.

Like many States, Texas faces challenges of serving rural and urban areas each with its own set of geographic challenges. Bordering Mexico, Texas has a large Hispanic population as well as other diverse racial and ethnic groups throughout the State. Additionally, the State is home to the federally recognized tribes of the Alabama-Coushatta Tribe, the Kickapoo Traditional Tribe, and the Ysleta Del Sur Pueblo. While urban areas contain densities of populations, the western Big Bend and Panhandle regions are faced with rural challenges of access to services and education. Thus, any dental outreach and education initiatives must accommodate geographic and ethnic diversity.

The State is fortunate to work closely with dental schools in Houston, San Antonio, and Dallas to provide services to eligible children. The relationship with these three dental schools has also provided opportunities for provider outreach, and increased the overall visibility of the THSteps program.

Lags in education and income have also typically contributed to behaviors that disrupt consistent and comprehensive medical and oral health care. A 2007 representative sampling of a population of three to five-year-olds in Head Start programs throughout the State of Texas revealed that 26.7 percent had early childhood dental caries (ECC), and 7.6 percent had urgent dental needs due to pain, swelling, and/or infection due to dental disease. While this sampling was not limited to the Medicaid population, the State has used the link between these typical socio-economic factors of the Medicaid population and the increased risk of ECC to develop several tools which are integral to dental preventive care.

Frew Lawsuit

In 1993, a federal lawsuit was filed against HHSC on behalf of Linda Frew and other citizens of Texas, which alleged that children enrolled in Texas Medicaid were not receiving adequate preventive and specialty care services, including dental care, to which they were entitled under the State's EPSDT program (*Linda Frew, et al. vs. Albert Hawkins, Texas Health and Human Services Comm., et al.*). Specifically, plaintiffs claimed that a) Texas' EPSDT policies did not ensure that eligible children received health, dental, vision and hearing screens; b) the program also failed to remedy medical conditions caught by screening services; c) the program did not service all areas of the State equally; d) case management was not available to all those in need; and e) the State did not meet participation goals set by the U.S. Department of Health and Human Services.

The parties agreed to a comprehensive consent decree that was approved by a district court in 1996, detailing procedures for Texas health officials to meet federal guidelines. In 2000, Texas was found to be in violation of multiple sections of the consent decree and was ordered to develop and implement a corrective action plan. Texas appealed the findings of violation claiming protection of State sovereignty under the 11th Amendment of the United States

Constitution. The State won at the Federal appeals court level, but then lost in the US Supreme Court in January 2004. In 2005, the Federal District Court again ordered corrective action for violations found in 2000.

In January 2007, the U.S. Supreme Court denied the Texas Attorney General's request to review the case. In April of 2007, a Joint Motion for Entry of An Agreed Corrective Action Order was filed in the US District Court for the Eastern District of Texas. Subsequently, the State was ordered to implement corrective action beginning in September 2007 and submitted a State Plan amendment to comply with this order to increase reimbursement rates.

The consent decree and corrective action orders also required the State to submit quarterly reports to the court detailing progress made for each paragraph of the consent decree and on the corrective action order that requires State initiated action. These reports ensure that the State continues to operate its EPSDT program in accordance with not only Federal regulations, but also with those stipulations ordered by the court. Such status updates include information on the process to provide outreach/ education about *THSteps*, provider recruitment, provider training, the medical transportation program, providing information to health care providers for referral to transportation services and general information about process and procedure about what's available and how to access these services. Further, on an annual basis, in the July quarterly report, the State includes county-level medical and dental utilization data. Legal actions and responses from both plaintiff and defendant continue and litigation currently remains active.

Frew Advisory Committee

The State voluntarily formed a 17-member Frew Advisory Committee in the fall of 2007, comprised of private providers, representatives from dental education organizations, representatives from pharmacy provider groups, rural health, and advocacy groups. The advisory committee was tasked with reviewing community proposals for how to spend the \$150 million court-ordered funding allocated in 2007 by the State legislature to improve access to EPSDT services and health outcomes of class members. These funds were used to implement the initiatives outlined below. Today, the Committee's function is more focused on monitoring funded projects rather than reviewing new initiatives.

INNOVATIVE PRACTICES

I. Increase in Dental Rates

In 2007, the State increased reimbursement rates by 100 percent for 35 of the most commonly billed dental procedure codes and 50 to 85 percent for 13 additional dental procedure codes, in accordance with the Texas Medicaid Usual and Customary Rates. These dental procedure codes represented 70 percent of all dental services provided to children participating in *THSteps*. This increase also compensated for a 2.5 percent decrease in rates that was enacted in 2003. The HHSC and DSHS worked with the Medicaid Physician Payment Advisory Committee, which included a representative of the Texas Dental Association, to ensure that the reimbursement rate plan was fair. All providers and stakeholders interviewed for this review stated that the increase in reimbursement rates was integral to the success of the State's EPSDT dental services. Because the rate increase is relatively new, the State is still collecting utilization data to assess whether or not the increased dental reimbursement rate can be correlated with higher dental

utilization and access to care. All individuals interviewed for this review noted that the increased dental reimbursement rate was the most significant factors in attracting new dentists to the Medicaid program. Additionally, the court appropriated \$150 million for program improvements. Texas proceeded to utilize appropriated funds for the implementation of the following four dental initiatives.

II. The First Dental Home Initiative

The *First Dental Home Initiative* is a legislatively supported initiative focused on improving the overall health of all children by introducing preventive dental care in the early months of life. It consists of a two-pronged agenda that utilizes a formal periodicity schedule addressing oral health for children 6-35 months of age, and the total involvement and education of the child's parent or responsible adult.

With guidance from the American Academy of Pediatric Dentistry, the State defines a dental home as the ongoing relationship between the dentist and the patient, inclusive of all aspects of oral health care delivered in a comprehensive, continuously accessible, coordinated, and family-centered way. As implemented by Texas, the establishment of a dental home begins at 6 months of age and includes referral to dental specialists as needed. Any currently enrolled THSteps pediatric or general dentist may participate in the program after being trained and certified. Within the first 12 months of the implementation of the *First Dental Home Initiative*, 815 dentists completed training and 674 of the trained dentists billed for dental services.

In addition to the initiation of early oral care, the State has adopted a regimen of educating families, which necessitates the constant presence of a responsible adult during the complete oral health visit. Family members are educated about the effects of diet on early childhood caries, the habits of good oral hygiene, and proper oral health practices for breast-feeding moms to promote dental health. The dental provider will review with the child's responsible adult the child's health history, and personal and family dental history. A dental risk assessment is then performed, along with dental prophylaxis, and the adult in attendance will receive oral hygiene instructions specific to that child.

Because the prevalence of ECC can endanger the overall health of a young child, the State included a Caries Risk Assessment in its First Dental Home Visit. This assessment determines the potential for the development of severe and early childhood caries by identifying the oral health status of the patient and that of the primary caregiver and family, and the potential for bacterial transmission sources. With the results of this assessment, the dental provider can give directions to the family or caregiver for the patient's future dental care, and can determine an appropriate recall periodicity schedule specific for that child. Recall visits can occur as often as every three months for children at moderate to high risk for severe early childhood caries. The State has also developed and published laminated cards printed with general dental anticipatory guidance in both English and Spanish that the provider can use as reference when educating parent or caregiver.

Contrary to the public belief that the first dental visit takes place in preschool, the State has recognized that dental care habits begin at the eruption of a first tooth in the first year of life. The State is also acting upon the link between a child's health and the dietary, oral, and hygiene

habits of his or her family. As a result, 66,161 children between the ages of six and thirty-five months of age are participating in the *First Dental Home program*, with 11,178 of those being less than twelve months of age. A total of 5,330 children between the ages of six and thirty-five months who participate in the Medicaid program, including those participating in the *First Dental Home program*, were treated in the hospital (inpatient or outpatient) or an ambulatory surgical center during the first 12 months of the program. Of the children who participated in the *First Dental Home program* only two children 6 through 11 months of age and 774 children 12 through 23 months of age were actually hospitalized for therapeutic dental services.

III. Oral Evaluation and Fluoride Varnish in the Medical Home Initiative

The State has also expanded the role of the primary care physician in a child's oral health by bringing oral care into a child's medical home. THSteps medical checkup providers can be trained and certified to perform intermediate oral evaluations, fluoride varnish applications, give dental anticipatory guidance, and resources for referral for the establishment of a dental home for children 6-35 months of age. While provided by DSHS Oral Health Program, the trainings were sponsored by the Texas Medical Association, Texas Pediatric Society, and Texas Academy of Family Physicians. These practices formulate a partnership of care between primary care physicians, pediatricians, family medicine physicians, and dental providers. The physicians, physician assistants, and advance practice registered nurses (THSteps medical checkup providers) can be certified to perform intermediate oral evaluations and topical fluoride varnish applications when done during a well-child visit. These applications can occur twice to four times within a 12-month period. Texas pays an additional enhanced fee to THSteps medical checkup providers for oral health education and application of the varnish, and are provided with resources for dental referrals. Caregivers and family members are instructed that regular dental checkups remain a vital part of ongoing dental and physical health.

The State has developed detailed guidance for primary care providers on how to plant the seeds for sound preventive oral care, and on providing referrals for establishing a dental home. Tools are available for various dental health assessments, documentation, scheduling, and billing. The materials pertaining to this initiative were developed collaboratively by pediatric and general dentists, pediatric and family physicians, and provide simple and consistent messages to parents and caregivers of very young children.

IV. The Texas Loan Repayment Program (Children's Medicaid Loan Repayment Program)

Texas works closely with three dental schools in Dallas, San Antonio, and Houston. HHSC offers as much as \$140,000 in student loan repayments, to be disbursed over four years, to dentists and physicians who treat Medicaid THSteps beneficiaries. The repayment program, funded by State only dollars and \$150 million appropriations, was created under the Frew lawsuit. This program, the first in the State to target pediatric services, requires physicians and dentists to provide services to Medicaid beneficiaries for four consecutive years¹. After several meetings with HHSC leadership, HHSC Internal Agency Workgroup, Higher Education Coordinating Board and DSHS program staff, medical and dental community experts, and the

¹ According to the American Dental Education Association (ADEA), on average dental students graduated with approximately \$145,000 in student loans in 2006.

Frew Advisory Committee, the Loan Repayment Program was proposed in 2008, adopted in March of 2009, and operates as follows:

- Primary Care and Sub-specialty physicians and dentists are eligible to apply for loan repayment.
- Loan Repayment is based on meeting a minimum monthly level of service to Medicaid children. This level of service increases over the course of the loan repayment.
- Loan repayment funds are to be provided after each year of eligible service to Medicaid children and are paid out by the Higher Education Coordinating Board (HECB).
- DSHS developed the application for providers who will participate in the program. The Department receives and screens the applications, selects and notifies the eligible applicants.
- HHSC verifies the average monthly Medicaid visits for children under 21, for each participating provider
- Upon verification of eligible service, HECB makes loan repayment payments directly to the participant's lending institution.
- Up to 300 participants are approved for program participation each year.
- In anticipation that more than 300 providers will apply for participation, priority is given to THSteps "Lagging" counties and health professional shortage areas (HPSAs).
- DSHS monitors both participation compliance and effectiveness of the program on improving access to children's Medicaid services.
- The program is ongoing, with continued funding requested to allow participants four years of loan repayment at the identified level and also to enroll 300 new program participants each year.

DSHS provides information about the program to potential participants who are in medical residency programs, dental training and providers who practice in priority sites that may include Children's Hospitals, safety net clinic sites, or in "Lagging Counties" (counties in Texas that lag behind the county average in either medical or dental *THSteps* exams). Texas noted that the loan repayment program has increased the number of medical and dental providers, including pediatric subspecialists, willing to serve children on Medicaid. The inclusion of sub-specialists in the loan repayment program increases access to specialty services which was a finding in the Frew lawsuit.

Dental providers applied more than any other provider type for the loan repayment program. The State reports that 276 dental providers applied in the first round of applications. Of that number, 107 dentists were approved with 69 being general dentists and 38 pediatric dentists. This will ensure that over the next four years at least 107 dentists will remain in the State of Texas providing services to Medicaid beneficiaries.

V. Dental Stakeholders Initiative

The State initiated these meetings to increase buy-in from dental providers, and any other interested individual who is concerned with both the immediate and the far-reaching effects of poor dental health among its youngest citizens of the State. All providers interviewed agreed that the Dental stakeholder meetings were one of the most important program changing

innovations. Two types of stakeholders' meetings are held throughout the year in the State of Texas.

- **The Quarterly Texas Dental Stakeholder Meetings**

These meetings were initiated in 2004. One provider stated that this initiative is the single most important way that the Texas dental program has provided positive change. The meetings are held on a quarterly basis, and include private practice pediatric and general dentists, academic pediatric dentists, the Office of Inspector General, State dental policy staff, and claims administrator staff, thus involving the total integration of the entire State-wide dental systems. During meetings, stakeholders voice problems and concerns relating to the entire dental environment in the State of Texas. Suggestions or experiences are shared regarding ways the Medicaid program can improve. The meetings concentrate on how to better serve beneficiaries; increase provider education and enrollment; and provide programmatic updates. The meeting is normally run by the State dental coordinator or State staff, but any of the stakeholders may put forth a topic of concern at a given time. Dental providers interviewed maintained that the open format of these meetings allowed for a free flow of communication and quick resolution to most issues. These quarterly meetings are held in Austin and encourage participation of stakeholders from geographically diverse areas.

- **Ad Hoc Dental Stakeholder Meetings**

Additional meetings are held as needed to review specific policy issues within the State of Texas. Meetings typically focus on specific problematic issues that require immediate resolution. Some of the issues that ad hoc meetings have addressed in the past were orthodontic issues, periodontics (guided tissue regeneration), and oral and maxillofacial surgery involving a doctor of dentistry as a limited physician.

The ultimate purpose of both types of these meetings is to promote ownership into the State's dental program; a goal which all interviewed providers and stakeholders agree is succeeding. The subsequent success of the *First Dental Home Initiative*, Oral Evaluation, and Fluoride Varnish in the Medical Home initiative is a result of the continued commitment of the State to open communication and outreach to providers Statewide, from which the dental stakeholders emerged.

PERSPECTIVE OF STAKEHOLDERS

During the course of this review, CMS staff spoke with providers who were active members of the Dental Stakeholders Initiative. The providers were dentists, a pediatrician and an infectious disease physician. All noted that the increased reimbursement rate for dental services was the most significant factor in increasing provider participation and increasing dental utilization throughout the State. Additionally, State staff noted that the increased dental reimbursement rate brought national dental providers to Texas.

Like most other States, providers interviewed for this review noted challenges in serving the Medicaid population including missed appointments. Some providers double or triple booked patients as a way to minimize the impact of missed appointments. One practice implemented a

“three strikes you’re out” approach. If a patient missed three appointments, the patient was removed as a client of the practice.

CONCLUSION

Although partially driven by litigation, Texas has taken successful actions resulting in a 12 percentage point increase in utilization of children’s dental services between 2000 and 2008, and a 270 percent increase in the number of children receiving dental services. Every provider interviewed agreed that the single most important action the State has taken to improve dental utilization and increase the number of dental providers was the dramatic rate increase. However, State leadership in providing training that allows general dentists to feel more comfortable treating infants and toddlers, and as well as training *THSteps* medical checkup providers to refer very young patients to dentists and provide topical fluoride varnish has put a focus on oral health care in a way that a rate increase alone would not have. The high profile of the State's Dental Director and regular meetings of dental stakeholders from across disciplines contribute to the feedback from providers that the meetings resolve issues. CMS commends Texas for these innovations and looks forward to working with the State regarding children's dental issues.