

Commonwealth of Virginia

Medicaid Dental Program 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 January 25 - February 1, 2010, of the Commonwealth of Virginia's dental program. The review focused on program innovations that have increased dental utilization. The review team consisted of staff representing the CMS Philadelphia and New York Regional Offices and the Baltimore Central Office. Specifically, the review team interviewed State officials and staff representing the Department of Medical Assistance Services (DMAS), the agency responsible for the administration of the Virginia Medicaid program. In addition, the team interviewed a non-representative sample of four 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 Virginia than the national average.

Implemented on July 1, 2005, *Smiles For Children* is Virginia's dental program that was designed to improve access to quality dental services for Medicaid and CHIP children across the Commonwealth. Virginia's CHIP program is a combination Medicaid expansion and stand-alone program, so both Medicaid and CHIP children are included in the *Smiles For Children* initiative. Virginia's activities have resulted in a 40 percent increase in utilization of children's dental services between 2005 and 2009, and a 67 percent increase in the number of children receiving dental services.

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

- Increase in dental rate reimbursement
- Establishment of a single contractor to administer *Smiles For Children*
- Support from the Governor, Legislature, Virginia Dental Association, and Medicaid Director
- Dental Stakeholders Initiatives
- Increase in the number of participating dentists

CMS looks forward to working with Virginia 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 – Virginia EPSDT Dental Program

The Department of Medical Assistance Services (DMAS) is the State agency that administers both the Medicaid and CHIP programs. Dental services are delivered through the *Smiles For Children* program, which was established to ensure that EPSDT requirements are met for children from birth through age 20. As part of this program, DMAS issued an Administrative Services only (ASO) contract with Doral Dental USA for the administration of this program under EPSDT.

According to the 2008 CMS 416 report, over 550,000 children age 20 years and younger were eligible for Medicaid or CHIP in Virginia. Dental preventive and treatment services were provided for at least one month to 275,501 children, with a utilization rate of 40 percent. Although nearly all Medicaid children in Virginia are enrolled in managed care for their health needs, dental benefits are carved out. Children receive dental services by visiting any dentist enrolled with the Commonwealth as a Medicaid provider, and no referral from a primary care provider is necessary. Dentists submit a single uniform claim form for reimbursement, and very

few procedures require prior authorization. If dentists have billing concerns, there is a dedicated helpline to address inquiries.

In 2003, prior to the implementation of *Smiles For Children*, the Commonwealth attempted to implement numerous changes to the Medicaid dental program. However, the initial efforts did not create a favorable response from the dental provider community. According to a survey, 75 percent of the dentists did not have any interest in participating in the Medicaid program. To address the dental providers' discontent with Medicaid, the State had to resolve issues such as low reimbursement, administrative burdens, managed care concerns, and patient missed appointments. Also, Virginia's dental fee structure was very low, as the Commonwealth had not raised dental fees for Medicaid beneficiaries since 1983. Therefore, dentists who participated in the Medicaid program lost money on each visit.

In addition, the Medicaid reimbursement system was very fragmented as dentists had to submit bills to up to seven different MCOs, as well as to DMAS for those not enrolled in a MCO. Each MCO paid different rates, and each MCO had different billing forms. Both DMAS and the MCOs also required prior authorization for a wide variety of dental services provided to children. In addition, Medicaid children often changed health plans during treatment, so dentists often had to obtain prior authorization from a new insurer, even if they were in the middle of treating a child.

The result was that dentists often were not reimbursed the low rates to which they were entitled. Consequently, dentists steadily dropped out of the Medicaid program. Before *Smiles For Children* was started in 2005, only 24 percent of children received a dental service for at least one month, and only 13 percent of dentists in the State were enrolled as providers in Medicaid. These shortcomings were widely known throughout the dental community, and there were few incentives to provide services to children under EPSDT.

In 2004, as a result of the Governor's and House of Delegates' initiative to improve dental care for Medicaid children, DMAS started a program entitled "*Smiles For Children.*" DMAS worked with several partners, including the Virginia Department of Health (VDH), the Virginia Dental Association (VDA), the Old Dominion Dental Society (ODDS), the Dental Advisory Committee (DAC), and the dental community to design, develop, and implement a new dental program initiative that focuses primarily on increasing provider participation, access, and pediatric dental utilization. DMAS staff, including the former Medicaid Director, traveled the State listening to dentists' concerns to determine how to improve dental participation in Medicaid. Over a period of about a year, DMAS listened to providers and partners, and then made recommendations to the Governor and House of Delegates based on these meetings. The recommendations included significantly increasing payment rates to dentists who treat Medicaid children, simplifying billing processes to mirror commercial billers, eliminating most requirements for prior authorization, and implementing a dedicated provider hotline for dentists' use in resolving billing issues. DMAS also used VDH, VDA and the DAC to reach out to its members to encourage participation in the Medicaid program.

INNOVATIVE PRACTICES

I. Increase in Dental Rates

In 2005, Virginia increased reimbursement rates by up to 30 percent for targeted dental procedure codes that affected children. The dental community was asked for its input to make sure the rates were reasonable, and the Virginia Dental Association was engaged in these discussions. All providers and stakeholders interviewed for this review stated that the increase in reimbursement rates was integral to the success of the Commonwealth's ESPDT dental program, and that the increased dental reimbursement rate was one of the most significant factors in attracting new dentists to the Medicaid program. While interviewees said the increased rates were not the only reason for the increase in dentists' participation rates in Medicaid and CHIP programs, the rates were recognized as a necessary first step. One dentist in private practice said he lost money on every Medicaid beneficiary under the old fee schedule. So dentists hesitated to take more than a few, if any, Medicaid or CHIP children. Under the new fee schedule, the dentists say they at least cover their costs, and sometimes can make a small profit. Without these increased rates, the *Smiles For Children* program could not have achieved the increased provider enrollment needed to make the program successful.

II. Establishment of a single contractor to administer *Smiles For Children*

In order to simplify administration of the dental program, the DMAS issued an Administrative Services Only (ASO) contract with Doral Dental USA, for administration of the *Smiles For Children* program under EPSDT. This ASO contractor resolved some of the most critical administrative barriers to Medicaid participation by dentists. It streamlined billing by eliminating multiple claims forms in favor of a single form that mirrors the form used by commercial payers. Before this billing change, the Health Department did not bill the Medicaid program because the billing process was so onerous.

Doral Dental USA also facilitates obtaining prior authorization when needed, and has a dedicated provider assistance group to resolve billing problems quickly. Prior to the implementation of *Smiles For Children*, many services required prior authorization. When DMAS examined dental prior authorization codes, they found that almost all requests were approved. Requiring dentists to make these requests, however, added to the administrative burden of treating Medicaid and CHIP children. One dentist, who has been a pediatric dentist for 31 years, said that his office could rarely reach anyone at the Medicaid provider hotline to resolve billing issues under the old system. He said today it is very easy to reach someone and resolve these issues.

III. Support from the Governor, Legislature and Medicaid Director

All of the stakeholders we interviewed said the support of the Governor, Legislature, Virginia Dental Association (VDA), and Medicaid Director was instrumental to increasing provider participation in the Medicaid and CHIP programs. They said the expressions of support, including personal visits from the Medicaid Director, made the dentists feel needed and appreciated. The Medicaid Director personally visited all eight Congressional districts and met with VDA officials and members. He actively recruited individual dentists to enroll in the program, and listened closely to their concerns. As one stakeholder mentioned, these personal meetings and outreach made the dentists feel "united in purpose". Most Commonwealth

officials and stakeholders that were interviewed indicated that having a dental “champion” in the State Medicaid Director was very important to the development and success of the *Smiles For Children* program.

The support shown by all levels of government was not just a one-time action. Since the start of *Smiles For Children* in July 2005, the support and outreach has been ongoing. As dentists made recommendations, many of them were implemented, and the dentists felt they were truly a part of the improvement strategy. The stakeholders all said this ongoing support was vital to increasing both the number of dentists who participate in the EPSDT program, and also increasing the number of children being treated.

IV. Dental Stakeholders Initiatives

The VDA conducts regular outreach to dentists, especially dentists moving into Virginia, to try to increase the provider enrollment rate. The result of this outreach is that dentists’ perception about participating in the Medicaid and CHIP program has gone from negative to positive. It was noted that individuals do like the *Smiles For Children* program, and seem to forget that it is part of the Medicaid program. In addition, the VDA holds quarterly meeting that praise the *Smiles For Children* program.

Provider satisfaction remains high among *Smiles For Children* providers. According to the most recent provider satisfaction survey conducted in 2009, average overall provider satisfaction with the program was 94 percent, and 98 percent indicated a willingness to continue participating in the program.

In addition to an expanded dental network, more providers are actually treating patients as evidenced by the number of providers who submit claims. When *Smiles For Children* began, fewer than half of participating dental providers submitted claims for services rendered to Medicaid and CHIP children. As of 2009, over 80 percent of the participating network providers were submitting claims. Having these additional providers actively participating in the network helps expand network capacity and improves availability of services for children.

V. Increase in the Number of Participating Dentists

The number of providers enrolled in the dental program continues to increase. Provider participation has doubled since the *Smiles For Children* program began July 1, 2005. In 2005, there were 620 dental providers, representing only 11 percent of Virginia licensed dentists. By the end of August 2009, there were 1264 providers, representing 22 percent of Virginia licensed dentists.

DMAS’ goal was to reach a network total of 1220 providers in the *Smiles For Children* program. As of August 2009, the network included 1,264 providers, and has experienced a 103 percent increase since the program started. Additional providers continue to enroll in the program monthly, further strengthening the program’s provider network. Commonwealth officials also mentioned anecdotally that they have noticed more specialists willing to join the networks, reporting this may be at least in part due to the economic downturn in the Commonwealth.

Like many States, Virginia faces challenges of serving rural and urban areas each with its own set of geographic challenges. While the northern part of Virginia is a densely populated urban area, many of the South and Western areas of Virginia are rural and sparsely populated. In those rural areas, there are relatively few dentists, and only a small percentage of them accept Medicaid patients. In rural areas, dental care is still more likely to be provided by public clinics and Federally Qualified Health Centers, but the *Smiles For Children* program has increased Medicaid participation by dentists in private practice.

During the course of the review, the Commonwealth staff mentioned that CMS could help States by convening more forums on dental services in Medicaid. They would also like information on how to address patients who do not show up for dental appointments.

Though Virginia has made significant changes to the Medicaid dental program, they would like guidance on what areas of dental services to focus on next. The Commonwealth is trying to ascertain how and what to implement as next steps in the *Smiles For Children* program. State officials also noted that Virginia is experiencing a large deficit and that there is the possibility that provider rates will be cut. It is unclear what effect if any this may have on current *Smiles For Children* dental providers.

CONCLUSION

The *Smiles For Children* initiative has dramatically improved dental access and care for Virginia's low income children. Since July 2005, Virginia has doubled the number of dentists enrolled in the Medicaid and CHIP programs. More importantly, the number of low income children receiving dental services has increased significantly. The utilization rate of dental services among children ages 3 to 20 years has increased from 29 percent in 2005 to 48 percent in 2009. The increases in utilization since the program began represents a significant increase in the number of low-income children ages 0-20 who are receiving needed oral health care.

Smiles For Children was not easy to start in a State where Medicaid was held in low regard by dentists. Early efforts, which included the "Take Five" initiative, achieved only limited success. The "Take Five" program entailed asking dentists in private practice to accept five Medicaid beneficiaries each. Implementing *Smiles For Children* was the result of more than a year of intensive planning and solicitation of input by dentists and the Dental Advisory Committee. Even with extensive listening, planning and outreach, it would not have been so successful without a highly visible dental champion – the former Medicaid Director. His personal involvement was a key driver to bringing all the players together and replacing the Medicaid stigma with a "we're all in this together" mentality among Virginia dentists. While not easy, the *Smiles For Children* program has brought together all of the stakeholders and has made participants feel like true partners in the goal of improving children's dental health.

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