

Providers await impacts of Medicaid cuts; dental services axed

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Gov. Michael J. Dunleavy addressed questions about his recent budget vetoes at the start of a meeting with members of his cabinet in Anchorage on July 15. (Photo/Marc Lester/Anchorage Daily News)

Gov. Michael J. Dunleavy's cuts to the state Medicaid budget have providers holding their breaths as they wait to see the impacts.

Dunleavy vetoed about \$58 million of general fund support for Medicaid programs from the Legislature's enacted budget on June 28. The Legislature, divided between special sessions in Wasilla and Juneau, failed to override the vetoes, and so the cut stands for now.

Because Medicaid is a federally matched program, the dollars the state cuts lead to forfeited federal dollars as well. The \$58 million general fund cut is compounded by those federal dollars, meaning at least \$77 million less in total.

Though there's no immediate impact for hospitals, but one of their concerns is for the end of the next fiscal year, when money starts running out to reimburse providers. The state suspended payments for about two weeks in June due to a Medicaid funding shortfall, forcing hospitals to wait until the turnover of the fiscal year to be paid.

While hospitals are again being paid, there's the possibility that if funding is cut, the suspension could go on for longer next year, said Jeannie Monk, senior vice president of the Alaska State Hospital and Nursing Home Association.

"Right now, in terms of hospitals and Medicaid, everybody's okay," she said.

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One Medicaid service would be eliminated entirely if the vetoes stand: adult preventive dental medical coverage. Up until this year, Medicaid recipients were able to access preventive dental services such as cleanings and X-rays. Dunleavy vetoed \$27 million supporting the program, which would stop the preventive program, though emergency situations would still be covered, according to the Alaska Department of Health and Social Services.

Providers say it's more than a luxury. During the regular session, legislators and providers argued for the retention of the program, saying it was an essential part of preventative health and provided opportunities for people to encounter the medical system who might not have otherwise gone in for a doctor's appointment.

Without the benefit, there's a concern that those patients will just wind up in the emergency rooms with abscesses and acute dental conditions, Monk said. The same is true of the homeless population, with the vetoes applying to social services that help run homeless shelters.

For patients at federally qualified health centers, that means paying a sliding scale fee. Though that fee reduces the patient's cost, it's still about 25 percent of the total charge, said Jon Zasada, the policy integration director for the Alaska Primary Care Association.

"I think a lot of folks know that once you start doing the cleaning, fillings, and other procedures, it becomes a lot more expensive," he said. "Let's say a cleaning or a tooth pulling ... a patient could easily have a bill that at full cost is multiple thousands of dollars, and then they would be responsible for \$1,000, which they generally are not able to pay."

Other states who have cut their preventive dental services for Medicaid have studied and tracked increases in emergency room visits for dental reasons, Zasada said. Though that isn't something Alaska has done in the past, it's something the APCA will be looking into, in part because of the inefficiency of treating those problems in an expensive place like an emergency room, he said.

"Certainly an abscess or an infection, when treated in an emergency room, is far more expensive than when it might be under control because someone has access to preventative care," he said.

At hospitals, those patients would be eligible for financial assistance, or charity care. Hospitals generally have to eat that cost later. That's not the case for federally qualified health centers; they often have grants to help cover that shortfall from the sliding scale fee. But with more patients not able to pay for services, they may have to rely more on those backup funding sources.

For the Anchorage Neighborhood Health Center, that means probably looking for more grants to support their services and relying on patients who come with private insurance, said Tammy Green, the CEO of Anchorage Neighborhood Health Center.

"We have figured out that we have a fair amount of our dental patients that are on Medicaid with our dental benefit," she said. "We're going to have to figure out where else to shoulder that in our business."

The Anchorage Neighborhood Health Center has integrated medical, dental and behavioral care, and patients who come in for dental services are frequently referred for medical services and vice versa.

Without the dental benefit, patients may not be as likely to receive care in the first place, which may lead to more serious conditions down the road and may hamper their ability to get jobs. Green said a number of the patients who have had dental services have written to the clinics and said oral care played a role in their ability to be employable by correcting their speech or smiles.

The other problem is that the caseload may go up as other providers in the area stop taking Medicaid patients, she said.

"I think the other piece about these cuts is that in our community, the dentists will no longer be able to see the Medicaid patients and we are going to be deluged, but more importantly, I think the hospital emergency rooms are going to end up (seeing these patients)," she said.

The House Finance Committee, meeting in Anchorage July 15, introduced House Bill 2001 to reinstate many of the cuts from the line-item vetoes, including Medicaid, and using remaining state funds to pay the Permanent Fund dividend. Zasada said the APCA hadn't formally endorsed the bill, but "anything that would reinstate funding for broad health care services amongst all of the other things, we are supportive of."

During a press conference July 15, Dunleavy said his administration hadn't had time to review the House's new bill yet but planned to continue discussions with legislators later in the day.

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