

# FISCAL NOTE

**STATE OF ALASKA**  
**2009 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 26  
 (H) Publish Date: 3/5/09

Identifier (file name): HB026-DHSS-APDMS-02-23-09 Dept. Affected: Health & Social Services  
 Title: Medicaid for Adult Dental Services RDU: Health Care Services  
 Component: Adult Preventative Dental Medicaid  
 Sponsor: Hawker  
 Requester: House HSS Component Number: 2839

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required		Information				
	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	7,288.4	7,535.9	7,783.6	8,031.1	8,278.6	8,526.1
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>7,288.4</b>	<b>7,535.9</b>	<b>7,783.6</b>	<b>8,031.1</b>	<b>8,278.6</b>	<b>8,526.1</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES (</b>							
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0.0	4,758.7	4,714.4	4,592.3	4,738.3	4,884.4	5,030.4
1003 GF Match	0.0	2,529.7	2,821.5	3,191.3	3,292.8	3,394.2	3,495.7
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>0.0</b>	<b>7,288.4</b>	<b>7,535.9</b>	<b>7,783.6</b>	<b>8,031.1</b>	<b>8,278.6</b>	<b>8,526.1</b>

Estimate of any current year (FY2009) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This bill eliminates the sunset date of June 30, 2009 on enhanced dental services for adult Medicaid recipients. Services for adult Medicaid recipients would otherwise revert to emergent dental services (treatment for immediate relief of pain and acute infection), only. During FY2008 about 7,600 adults received treatment under this program. Forecasted expenditures are based on an analysis of paid claims reflecting the most recent trends. The estimated federal portion is based on projected federal financial participation rates for 2010 through 2015 using federal reimbursement rates from the American Recovery and Reinvestment Act 2009 economic stimulus bill. The amount for FY2010 is included in the Governor's amended budget request.  
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Prepared by: William J. Streur, Deputy Commissioner Phone 279-7827  
 Division: Health Care Services Date/Time 2/20/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner Date 2/23/2009  
DHSS Finance & Management Services

**FISCAL NOTE #1**

**STATE OF ALASKA**  
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**BILL NO. HB 26**

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**ANALYSIS CONTINUATION**

In April 2007, Alaska began providing preventive and restorative dental care for adults age 21 and older enrolled in Medicaid. The Legislature established a three year trial period to evaluate the new program, which will end June 30, 2009, if not reauthorized. Services provided under the Adult Preventative Dental Medicaid program must be preauthorized and are subject to a \$1,150 annual cap per individual. Services include exams, cleanings, fillings, root canals and dentures. Total program costs are controlled by spending limits set by the legislature, ensuring that total program spending remains within the budgeted amount.

The Adult Preventative Dental Medicaid program helps protect and promote the health of Alaskans by improving affordable access to dental care services to the nearly 40,000 eligible adult Alaskans enrolled in Medicaid annually. During fiscal year 2008 about 7,600 adults received treatment under this program. In the past, Medicaid only treated emergency pain relief and acute infection for adult dental needs. This coverage expansion was added because infections in the mouth are no different than infections in other parts of the body. Dental infections cause pain and lost time at work, and affect overall health. Waiting until a dental emergency occurs can result in more expensive dental care. Missing teeth can affect employability.

The Alaska Mental Health Trust Authority contributed to state matching funds during the first three years of the program but will not do so after June 30, 2009. Fund source calculations for this fiscal note assume only GF match for the state portion. The federal portion is estimated for 2010 through 2015 based on the proportion of tribal and Title XIX reimbursable costs as forecast for 2010, and the estimates of federal matching percentages for 2010 through 2015. Approximately 18% of the claims are eligible for Indian Health Services which receives 100% federal reimbursement. The remaining 82% of claims are eligible for regular title XIX FMAP, which is projected to average 58.68% for state FY2010, 54.34% for FY2011 and 50% for FY2012 to FY2015.