

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

January 25, 2010

1:30 p.m.

MEMBERS PRESENT

Senator Bettye Davis, Chair
Senator Joe Paskvan, Vice Chair
Senator Johnny Ellis
Senator Joe Thomas
Senator Fred Dyson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 199

"An Act providing for a two-year funding cycle for medical assistance coverage for dentures."

MOVED SB 199 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 199

SHORT TITLE: MEDICAID COVERAGE FOR DENTURES

SPONSOR(S): SENATOR(S) ELLIS

01/19/10	(S)	PREFILE RELEASED 1/8/10
01/19/10	(S)	READ THE FIRST TIME - REFERRALS
01/19/10	(S)	HSS, FIN
01/25/10	(S)	HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

SENATOR ELLIS

Alaska State Legislature

Juneau, AK

POSITION STATEMENT: Sponsor of SB 199.

MARIE DARLIN, Coordinator

The Capital City Task Force, AARP

Juneau, AK

POSITION STATEMENT: Supported SB 199.

BRADLEY WHISTLER, Dental Officer
Department of Health and Social Services (DHSS)
Juneau, AK

POSITION STATEMENT: Supported SB 199.

JON SHERWOOD, Medical Assistant Administrator
Department of Health and Social Services (DHSS)
Juneau, AK

POSITION STATEMENT: Did not take a position on SB 199.

DAVID LOGAN DDS
The Alaska Dental Society
Juneau, AK

POSITION STATEMENT: Supported SB 199.

DIRK MENARD DDS
Eagle River, AK

POSITION STATEMENT: Supported SB 199.

DENISE DANIELLO, Executive Director
Alaska Commission on Aging
Department of Health and Social Services (DHSS)
Juneau, AK

POSITION STATEMENT: Supported SB 199.

ACTION NARRATIVE

[1:30:16 PM](#)

CHAIR BETTYE DAVIS called the Senate Health and Social Services Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Dyson, Ellis, Paskvan and Davis.

SB 199-MEDICAID COVERAGE FOR DENTURES

[1:30:41 PM](#)

CHAIR DAVIS announced consideration of SB199 and asked Senator Ellis to present the bill.

[Indisc. audio for much of Senator Ellis's introduction.]

[1:31:15 PM](#)

SENATOR ELLIS, sponsor of SB 199, thanked the committee for hearing the bill and introduced his aid, Max Hensley. He directed the committee's attention to an opinion piece he

authored that was published in The Senior Voice. In it he related the striking story of an elderly man who walked into his office about a year ago and threatened to commit suicide after his interaction with the Medicaid adult dental office. The man had qualified for dentures under the program but was told he had to choose between his upper or lower denture at that time and have the other denture installed the following year. He felt frustrated and humiliated and didn't know where to turn.

SENATOR ELLIS reminded the committee that he supported a bill last year to improve Medicaid coverage for dental health. When the bill came before the committee, he agreed not to include this provision for a two-year funding cycle in order to move it through more quickly, but vowed to pursue the matter this session.

1:34:15 PM

Allowing people to receive a full set of dentures at one time will improve patients' oral health and reduce the impact on Alaska's dentists. He introduced members of Alaska's dental community, Dr. Dave Logan representing the Alaska Dental Society, and Dr. Dirk Menard calling in from Fairbanks on teleconference, and noted that the member's packets contain letters of support from a wide variety of providers. Senator Ellis was gratified by the number of people who came forward to offer their support including AARP Alaska, the Alaska Primary Care Association, Alaska Public Health Association, The State's Joint Advocacy Board's Commission on Aging, Mental Health Trust Authority, Governor's Council on Disabilities and Special Education, The Advisory Board on Alcoholism and Drug Abuse, and the Brain Injury Network.

SENATOR ELLIS continued; this bill allows patients who are eligible for dentures under the Medicaid Adult Dental Program to fund a complete set of dentures. Current law limits patients up to \$1150 in preventative or restorative services per year, a cap that was designed to cover one half of a set of dentures. In testimony before this committee in 2006, the designers of the program stated their intention that patients would receive their uppers on June 30th and their lowers on the first day of July in the new fiscal year. That has not proved to be practical for the state, for the dentists, or for the patients. Dental emergencies cannot be scheduled around the state's fiscal calendar; patients are suffering and dentists are being inconvenienced by this rule. This is the kind of frustrating situation that gives government and state agencies a bad name.

SB 199 does not increase the total amount of benefit a patient is eligible for, but allows patients to access two years' benefit in a single fiscal year to complete a relatively expensive procedure in the most medically effective and cost effective way, so everyone benefits. He asked for the committee's support in passing the bill.

1:37:45 PM

MARIE DARLIN, Coordinator, Capital City Task Force, AARP, Juneau Alaska added their support for this very important bill; it makes sense for clients and providers.

1:38:43 PM

BRADLEY WHISTLER, Dental Officer, Department of Health and Social Services (DHSS), said the department likes SB 199 conceptually. For adults needing an upper and lower denture, the services would typically be done at the same time in dental offices. The department noted that, with implementation of adult preventive and restorative services in the Medicaid program, recipients might time either an upper or lower denture at the end of one fiscal year and have the other denture done at the beginning of the next fiscal year. He is aware of circumstances in which the timing did not work and patients had to wait an extended period of time to get the opposing denture.

MR. WHISTLER continued; if the bill is passed, recipients and dental providers will no longer be required to provide the upper and lower dentures over a two-year period; they will be allowed to utilize the annual limit for two years to complete the procedure. The department has heard examples of patients delaying extractions when they can't get the opposing denture within the short time period [that would allow them to obtain a full set in one procedure], which often leads to complications requiring oral surgery, sometimes with sedation or general anesthesia costs. However, the department is noting the likelihood of increased expenditures for accelerating the annual limit in providing these services and is concerned about the administrative costs to implement the program. Dental services and the prior authorization process by which they track the annual limit are both based on the state fiscal year; so implementing these services is going to require manually tracking recipients who have received the services and accounting for the annual limit over the two-year period to ensure they are not getting additional services in the following state fiscal year.

Because of these concerns, the department is not taking a position of support or opposition to SB 199. Administrative costs for implementing the changes reflected in the bill could be reduced by eliminating partial dentures from the exception of the \$1150 annual limit. The department will continue to look at the cost of the services and try to find ways to reduce the administrative burden for implementation, but at this time the estimates are as outlined in the fiscal note for this bill.

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SENATOR DYSON asked how the state got into this situation.

MR. WHISTLER replied that when this bill was first proposed, they looked at a variety of levels in the annual limit. What drove the process was the expenditure estimates for the bill and the decision to keep enough in the limit to cover an upper or lower denture within one fiscal year. In terms of timing, especially in the first year of the program, some clients didn't get services in time to get one denture done and found themselves at the beginning of the state fiscal year having spent the entire benefit and having to wait a year before getting the other denture.

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SENATOR DYSON said he suspected that all dental experts, including Mr. Whistler, would agree that having the option to get both dentures done at the same time serves the clients' interests best. He did not understand how they ended up with a program that is suboptimal for the patient/clients just because of administrative costs.

MR. WHISTLER answered that part of the decision was based on expenditures for the program, and there was nothing that precluded a person from getting both sets of dentures; the Medicaid program just would not pay for it.

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SENATOR DYSON asked if he was saying that the way the federal program is administered is what drove the decision.

MR. WHISTLER answered no, that all of the services in these programs are optional services for the state to provide, so it had nothing to do with federal law. It was an effort to expand services while controlling expenditures. If they had been trying to address this situation at the outset, they would have been looking at an annual limit of \$2300 or \$2400.

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SENATOR DYSON prompted that they might have looked at the plan Senator Ellis has suggested, \$2300 over two years, a brilliant solution that should net out. The senator disclosed that he himself is undergoing some reconstructive dental work, which piqued his interest in this issue. He discovered that dental implants, which can sometimes prevent the need for partial plates, are not covered even if the medical provider thinks that is the best solution. He also wondered whether the program would allow a patient to get the maximum annual benefit available and make up the difference himself in order to receive optimal treatment on any dental services.

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MR. WHISTLER responded that in terms of the program and balancing costs, they looked at several possible approaches: make a specific appropriation for these services so they are monitored more carefully, set an annual limit, and look at what services they will cover. They decided not to cover some services including implants. They cover periodontal maintenance in terms of scaling teeth but do not cover periodontal surgery. They will do a root canal but do not pay for surgery to cap the end of the tooth. It was a balancing act, deciding what the program would cover and what it would not.

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SENATOR DYSON persisted, the program will pay for a bridge, which would not be required for an implant; why not provide the money a bridge would have cost and let the patient pay the balance for the more optimal service?

MR. WHISTLER answered that most of the Medicaid program is managed by services provided, so to provide just an open annual limit was not an approach that was considered. He pointed out that the current annual limit would not cover a three-unit (complete) bridge. The plan was to expand the services available, which were fairly limited in the adult Medicaid program, and move toward better prevention and routine restoration. They anticipated that there would be a co-pay by recipients once they had exhausted their annual limit.

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SENATOR DYSON said his question was, why not let patients get the benefit of what the state has agreed to pay and then allow them to pay any balance required to get a superior service.

MR. WHISTLER replied that he doesn't have a better answer for that. It is not an approach that was considered in implementing these services. That would be basically just making a fixed dollar amount available to any client for dental services.

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JON SHERWOOD, Medical Assistant Administrator, Department of Health and Social Services, explained that the approach Senator Dyson described wouldn't be allowed under federal law without some kind of waiver, and when they looked at adding a dental option, they didn't consider that. Under the Medicaid program they have to define the procedures they will cover and pay the cost of those procedures only. They were allowed to set a dollar limit on what they would pay for dental services, but even that required clarification from the federal government. They would have to include all of the services they want to cover and just set a dollar limit, and the belief at the time was that would create a greater demand for dental services than was within the target budget for the initial legislation.

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SENATOR THOMAS asked why the fiscal note shows no offset in 2012.

[1:51:10 PM](#)

MR. WHISTLER said denture expenditure has increased for each fiscal year the program has been in place and there would be an acceleration of expenditures in the first year as people got both upper and lower dentures. With new individuals coming into the program every year, they did not believe one year would be adequate to fully meet the unmet demand for denture services. Also, complete dentures generally require follow-up work. Partial dentures are often an alternative to doing crown and bridge work and can be less expensive, so he felt they would continue to see more partial dentures in the program. The department expects to see some offset in the third fiscal year, at which time the fiscal note will drop down to zero in terms of the denture expenditures in the program.

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SENATOR THOMAS said he is also concerned about the second fiscal note. He questioned whether they had looked at the possibility of modifying the existing computer program to assist in tracking the amount of annual benefit used and patients' previous dental history, or whether they are in some way constrained by the federal government.

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MR. WHISTLER responded that there is no federal issue. The entire claims processing and tracking system is based on the state fiscal year. Reprogramming the system for a set of dental services that works differently from the rest of the program would probably be expensive. He deferred to John Sherwood regarding whether they had considered reprogramming costs, and said that, at least at the outset, tracking would be a manual process.

[1:53:47 PM](#)

MR. SHERWOOD interjected that the claims processing system was purchased in 1987 and was first used in 1989. They are looking at ways to modify it but haven't found any yet. It is old and is not a relational database, so changes are complicated and expensive, though they may be possible. He said he will let them know if they find solution, but so far it appears this will have to be done manually.

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SENATOR THOMAS referred to previous discussions about electronic versus manual claims and problems providers have experienced with the filing of claims. He opined that, if this is yet another issue with the system in place, and electronic records are the way of the future, it may be wise to invest in a new system now. The legislature would like to see it be as efficient and accurate a system as possible. He suggested that Dr. Logan might be willing to comment on that.

[1:56:20 PM](#)

SENATOR PASKVAN asked if the numbers in the fiscal note are solely for dentures.

MR. WHISTLER answered yes.

SENATOR PASKVAN noted that the expected savings in travel expense was not included.

MR. WHISTLER referred to his earlier testimony that there are areas of potential savings to other parts of the Medicaid program; one would be transportation expenses. If a second oral surgery is required, that would be another source of potential savings for the program as a whole. Since it is a separate appropriation however, those transportation savings would be to a different funding source in the Medicaid program.

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SENATOR PASKVAN asked if it is likely that transportation services and emergency room expenses would overwhelm the numbers in the fiscal note.

MR.WHISTLER could not speak to that level of detail regarding what is going on in the program.

1:57:58 PM

DAVID LOGAN DDS, The Alaska Dental Society, Juneau Alaska, thanked Senator Ellis and those on the committee who co-sponsored this bill. He said his only regret is that the Alaska Dental Society didn't think of it themselves; it is an elegant solution to a long-standing problem, one that is fair to the state, fair to the dental providers and especially great for the recipients. Dental Medicaid providers are frequently placed in the uncomfortable position of helping a patient decide which arch they are going to do, upper or lower teeth. It is a decision he hates to make. The patients turn to him for guidance, but often the patient has either no teeth or two hopeless sets of dentition. It is not an easy decision to make.

2:00:05 PM

DR. LOGAN said, as a provider in Southeast he also sees patients from other communities, and the travel costs are not small. This is a multi-step procedure that generally requires several follow-up visits; by time a person flies in from another community and stays at a hotel, the travel costs dwarf the cost of the procedure.

He recounted a situation that illustrates the problem this presents for patients and providers. A man was flown to Juneau from Sitka; he actually lived in a community in the interior that did not have access to dental care. Dr. Logan wrote to the Medicaid division asking for authorization to cover both sets in one visit and explained that travel costs would ultimately be more than the cost of the dentures. He got a response from Medicaid saying that their hands were tied under statute and they could pay for only one. He asked his lab to provide a break on the second arch and absorbed the additional cost to provide his patient with a full set of dentures.

Addressing Senator Thomas's comments about electronic claims, Dr. Logan asserted that they are not the wave of the future; they are here now. He asked whether the department could incorporate this into the new computer system they are developing. He also agreed with Senator Paskvan regarding the hidden costs they see with dentures: travel, the cost of

retaining hopeless teeth, and ER visits. Dental care is not inexpensive, but a single ER visit can cover the cost of a denture. Taking all of that into consideration, he thinks they could see cost savings in the first fiscal year.

[2:03:48 PM](#)

SENATOR ELLIS thanked Dr. Logan and stated that, based on this and other testimony today, he is going to ask the department to reflect the cost savings even if it is not to the same portion of the budget. It is clear that the state will realize significant savings if this becomes law, so there has got to be some way to reflect that in the fiscal note.

[2:05:07 PM](#)

DIRK MENARD, DDS, said he simply called to add his support. It makes sense from a clinical and a fiscal standpoint to do both sets of dentures at one time. Many times his office will make an upper set only to find out next year it's in the wrong position to the lower set and they have to re-do the whole process.

[2:05:59 PM](#)

SENATOR ELLIS asked if a person can chew food with one set of dentures.

[2:06:46 PM](#)

MR. MENARD said not very effectively. When people lose their teeth, the second set of dentures ends up holding the first set in. It also helps in articulating.

[2:07:59 PM](#)

DENISE DANIELLO, Executive Director, Alaska Commission on Aging, Department of Health and Social Services, said she believes this bill will help to improve the health and wellness of older Alaskans. The Commission on Aging has supported the Medicaid dental program since it began in 2006. The Medicaid Adult Dental Program helps many low income seniors who live with a variety of painful and destructive dental problems and could not otherwise afford routine visits or dentures.

Studies have shown the link between oral health and chronic disease. Older adults are at high risk for dental decay, which has been associated with periodontal disease, diabetes, pneumonia, and cardiovascular disease. The inability to chew food properly can lead to chronic malnutrition and associated problems. Furthermore, seniors with ill-fitting dentures or missing teeth may avoid opportunities for social engagement,

which is important to maintaining their physical and mental health.

MS. DANIELLO provided some data based on Medicaid claims information on seniors 65 years of age and older. It indicates that a total of 3104 seniors used the Medicaid Adult Dental Program between April 1, 2007 and December 31, 2009. Of this number, 1200 seniors or 39 percent received dentures. (She pointed out that this was an unduplicated count.) The Cost for an upper denture was quoted as \$1085, a lower as \$1125, and approximately \$2225 for a complete set of dentures, which falls just under the two-year cap of \$2300.

She stressed that the Alaska Commission on Aging supports the bill and asked that the legislature consider their recommendations for future improvements to the Adult Medicaid Program. They recommend allowing eligible patients access to two years' total funding if they receive partial dentures and need additional denture services in the same year. Pending approval of SB 199 and its successful implementation, they believe the legislature should begin working with the department to expand the two-year access to cover other services that are included under the Medicaid Adult Dental Program such as root canals, crowns and even dental exams. They also believe the legislature should consider adjusting the current cap, as it has not been changed for at least three years.

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CHAIR DAVIS closed testimony on SB199. She said this is a good piece of legislation and it is her intention to move it out of committee. She asked if there are any other comments at this time.

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SENATOR PASKVAN said, as he sees it, the two issues before the committee come down to 1) the offset, which he believes will equal out and 2) the savings. When he looks at the savings in travel, lodging and other medical costs, he believes this is the right answer at the right time. He likes the bill.

[2:15:06 PM](#)

SENATOR DYSON pointed out that the committee has the authority to alter the fiscal note and there are excellent points in favor of doing that. He suggested that the committee do that while it is in their purview and make it easier for the Finance Committee. He does not want Finance to have the easy excuse of what may be an over-stated fiscal note to deny this. Part of the

fiscal note anticipates an increased number of people signing up, which has nothing to do with the bill, so the fiscal note is misleading in at least one and possibly more than one point.

[2:16:18 PM](#)

CHAIR DAVIS thanked Senator Dyson for his statement. She thinks some adjustments will be made, perhaps in Finance, but said they should let the Finance Committee do their job.

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SENATOR ELLIS added, with respect for Senator Dyson's comments, he wished he were comfortable making that change in a way that would not offend the people at Health and Social Services and would move them further along. He is also uncomfortable with some of the numbers the department put forward, but is sure this is their best effort and they are still working on it. He said he has made a request to the department to find some way in the fiscal note to accommodate the savings that common sense tells them will be there, but he does not feel qualified to make that adjustment here. He does not believe Finance would use this note as an excuse not to hear the bill and consider it and hopes they can work together on it at that level.

[2:18:28 PM](#)

VICE-CHAIR PASKVAN moved to report SB 199 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried and SB 199 passed from committee.

[2:19:19 PM](#)

There being no further business to come before the committee, Chair Davis adjourned the meeting at 2:19 p.m.