

HB

105

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 105
 (H) Publish Date: 1/24/05
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction): _____

Title ADULT DENTAL COVERAGE UNDER MEDICAID

RDU Health Care Services
 Component Medicaid Services

Sponsor (RLS) BY REQUEST OF THE GOVERNOR

Requester _____ Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	3,469.4	11,548.1	11,912.5	11,081.4	10,814.9	11,166.7
Miscellaneous						
TOTAL OPERATING	3,469.4	11,548.1	11,912.5	11,081.4	10,814.9	11,166.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	2,285.1	7,608.7	7,790.9	7,212.5	7,058.8	7,356.6
1003 GF Match	759.3	2,514.4	2,696.6	2,818.9	3,056.1	3,460.1
1004 GF						
1037 GF/Mental Health						
1092 MHTAAR	425.0	1,425.0	1,425.0	1,050.0	700.0	350.0
Other(Specify Type-do not abbreviate)						
TOTAL	3,469.4	11,548.1	11,912.5	11,081.4	10,814.9	11,166.7

Estimate of any current year (FY2005) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Historically Medicaid Dental Benefits for recipients 21 years or older, have been limited to immediate relief of pain and acute infection. No preventive or restorative services have been covered.

Under this bill, Dental Benefits for Adults would be expanded to include preventive and restorative care up to a cap of \$1,150 per person annually. Examples of services that could be provided at that level are: one exam, 4 bitewing radiographs, cleaning and about 8 restorations or extractions, or; one exam and an upper or lower full denture.

con't on next page

Prepared by: Dwayne Peoples, Director
 Division Health Care Services
 Approved by: Joel S. Gilbertson, Commissioner
 Agency Department of Health and Social Services

Phone _____
 Date/Time _____
 Date 12/29/2004

FISCAL NOTE

FN # 1

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. HB 105

ANALYSIS CONTINUATION

Analysis Con't

It is estimated that approximately 41,000 individuals would be eligible for the expanded Medicaid Dental Benefits.

Factoring in those individuals who are eligible for 100% federal reimbursement, the federal contribution (through FY 2011) will cover approximately 66% of the costs. State GF will constitute about 25% and Mental Health Trust about 9% of the matching funds.

It is anticipated that the program will be operational the last quarter of FY06 so costs in that year are calculated at approximately 25% of FY07 costs and adjusted higher to allow for pent up demand.

A 3% growth in utilization is included to reflect possible increases in eligible adults and/or an increased percentage of adults accessing the dental services. This utilization is partially offset by projected savings in FY09, FY10 & FY11 under the assumption that adults on the program for several years would eventually have their major treatment needs met and move to a "maintenance" level of care (e.g., routine exam and cleanings but less restorative needs).

24-GH1081VG
Mischel
2/7/05

CS FOR HOUSE BILL NO. 105(HES)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to coverage for adult dental services under Medicaid; and providing**
2 **for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **PURPOSE; INTENT.** (a) The purpose of this Act is to increase adult dental care
7 services for an eligible recipient of Medicaid under AS 47.07 to ensure that services critical to
8 a recipient are implemented first, while controlling the overall growth of the costs of the
9 increase in services.

10 (b) It is the intent of the legislature that the Department of Health and Social Services
11 implement the increase in adult dental care services authorized by this Act through the
12 adoption of regulations consistent with the department's obligation to contain the costs of the
13 increased services in order to provide the services within appropriation limits. It is further the
14 intent of the legislature that the Department of Health and Social Services implement

1 mechanisms to contain costs, which may include establishing a maximum amount of benefits
2 for each eligible recipient in a fiscal year for the services and specifying the scope of the
3 services.

4 * **Sec. 2.** AS 47.07 is amended by adding a new section to read:

5 **Sec. 47.07.067. Payment for adult dental services.** (a) The department shall
6 pay for adult dental services provided under AS 47.07.030(b) and under regulations
7 adopted by the commissioner in conformity with applicable federal requirements and
8 this chapter. Regulations adopted under this section may include the following:

9 (1) a maximum amount of benefits for adult dental services for each
10 eligible recipient in a fiscal year; this paragraph does not apply to minimum treatment
11 for the immediate relief of pain and acute infection provided by a licensed dentist; and

12 (2) specification of the scope of adult dental services.

13 (b) As used in this section, "minimum treatment" means the application or
14 prescription of a medication or material deemed necessary by the dentist for the
15 palliative treatment of pain or for the reduction of the spread of infection.

16 * **Sec. 3.** AS 47.07.900(1) is repealed.

17 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 **TRANSITION: REGULATIONS.** The Department of Health and Social Services
20 may proceed to adopt regulations necessary to implement the changes made by this Act. The
21 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
22 effective date of the statutory changes.

23 * **Sec. 5.** Section 4 of this Act takes effect immediately under AS 01.10.070(c).

24 * **Sec. 6.** Except as provided in sec. 5 of this Act, this Act takes effect July 1, 2005.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

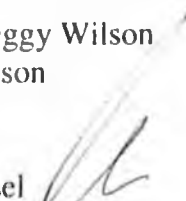
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 31, 2005

SUBJECT: Medical Assistance for Adult Dental Services (HB 105)

TO: Representative Peggy Wilson
Attn: Kathy Erickson

FROM: Jean M. Mischel
Legislative Counsel 

You have asked for an opinion on the existence of legal and drafting problems in the above referenced bill. As a general matter, the necessity of a legislative purpose and intent section, as drafted in sec. 1 of this bill, carries little substantive weight and is useful only if the drafting of the substantive provisions leads to an unclear result. In this case, however, it appears that the legislative intent is covered adequately in section 2 of the bill that contains the substantive effect.

I find nothing objectionable from a legal standpoint in authorizing adult dental services, in conformance with federal requirements, and including the cost containment restrictions, as provided for in bill section 2.

As a drafting matter, certain improvements should be made to conform with the legislative drafting manual. For example, the use of the term "per" at page 2, lines 2, 8, and 9 should be changed. The exception for "minimum treatment" for the immediate relief of pain should be defined; however, I note the current use of that term in AS 47.07.900 so that the term may have been previously interpreted by the department.

If I may be of further assistance, please advise.

JMM:jad
05-059.jad

STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Alaska Commission on Aging

February 7, 2005

The Honorable Peggy Wilson, Chair
House H.E.S.S. Committee
State Capitol Room 108
Juneau, AK 99801-1182

Re: HB 105, Adult Dental Services Medicaid Program


Dear Representative Wilson:

The members of the Alaska Commission on Aging would like to voice their support for passage of the Governor's Medicaid for Adult Dental Services Bill, HB 105. The Commission is charged with making recommendations to the Governor and the Legislature with respect to legislation, regulations and appropriations for programs and/or services that support the health and well-being of older Alaskans.

While HB 105 proposes dental coverage for all adults who are Medicaid eligible and not just for seniors, the Commission believes this bill will be particularly helpful to our most needy and vulnerable older Alaskans who receive their medical care through Medicaid services. There is extensive research which shows a correlation between good dental health and longevity. Dental health has also been linked to overall physical and emotional well-being. The Governor's proposed bill would fill an important gap in Alaska's continuum of care for older Alaskans as it will provide preventative care and one set of dentures per year, which would add up to cost savings in the future.

The members of the Commission on Aging respectfully ask your consideration and support for passage of HB105 and sufficient funding to ensure this program is successful.

Sincerely,



Linda Gohl, Executive Director
Alaska Commission on Aging

FRANK H. MURKOWSKI
GOVERNOR

P.O. BOX 110693

JUNEAU, ALASKA 99811-0693

PHONE: (907) 465-3250

FAX: (907) 465-1398



TANANA CHIEFS CONFERENCE
 Health Services Dental Clinic
 Dr. Michael Kwasinski, Director
 Chief Peter John Tribal Building
 122 First Ave.
 Fairbanks, AK 99701
 (907) 452-8251 Fax: 459-3837
 Toll Free in Alaska 1-800-478-7822

10 February 2005

TO: Fairbanks Legislative Information
 FROM: Dr. Michael Kwasinski, Director TCC Dental Clinic
 RE: Medicaid Adult Dental Services - HB 105

Medicaid adult dental services now only cover services for pain or acute infection. Many times by the time a tooth hurts or is infected, it is too late to do anything but, extract the tooth. Once individuals begin loosing their teeth self-sufficiency often becomes more of an obstacle, particularly in the job market. Also, it is more difficult to eat a balanced diet, possibly leading to other health problems. Only very soft foods are eaten; leaving out fruits and vegetables and many times meat. This is especially difficult with a subsistence diet.

TCC Dental Services supports the expansion of adult dental services covered by Medicaid, HB 105. Access to dental exams, x-rays, fillings, and dentures would assist in preventing the loss of teeth due to infection. Dental cleaning would prevent the loss of teeth due to periodontal disease. Medicaid recipients would be better able to maintain a healthy diet and keep an adequate presentation of their smile, important to self-esteem and self-sufficiency in today's competitive work force.

Please feel free to contact me at 907-4552-8251 x3207 for further clarification. Thank you.

*CAPT Michael Kwasinski DDS
 U.S.P.H.S. Dental Corps*

Our Vision
 Healthy People across Generations.

Our Mission
 TCC Health Services, in partnership with those we serve, promotes and enhances spiritual, physical, mental and emotional wellness through education, prevention and the delivery of quality services.



FRANK H. MURKOWSKI, GOVERNOR
State of Alaska

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

P.O. Box 240249 • Anchorage, Alaska 99524-0249 • Phone: 907-269-8990 • Fax: 907-269-8995 • Toll Free 888-269-8990

February 10, 2005

The Honorable Representative Peggy Wilson, Chair
House Committee on Health, Education & Social Services
State Capital, Room 108
Juneau, AK 99801-1182

Re: HB 105 Adult Dental Services

Dear Representative Wilson:

The Governor's Council on Disabilities & Special Education is in full support of HB 105 which will provide critical dental care for adults through Medicaid. This bill will include preventive and restorative dental services to a capped amount of \$1,150 per year. This legislation is among the top three legislative priorities for the Council, which has long advocated for dental coverage.

Adult individuals with developmental disabilities are among those currently not receiving dental services. As most individuals with developmental disabilities are Medicaid recipients, this service is currently unavailable to the majority of those the Council represents. In addition, the limited amount of financial resources people with developmental disabilities can earn and save, makes it very difficult to afford any dental care.

Healthy teeth are essential for proper nutrition and good general health, as well as for employability and general appearance. Some individuals with developmental disabilities take medications that complicate their dental health, so this population in particular, has a high need for dental care. With the commitment of a \$5 million contribution from the Alaska Mental Health Trust Authority over five years as well as the federal match, the State is able to minimize its cost. Over time, the State's investment, coupled with the Trust funded donated dental and dental training programs, will significantly reduce the cost for emergency dental services.

In summary, the Council urges adoption of the Governor's legislation to include adult preventive dental coverage under Medicaid.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth Edmands".

Beth Edmands
Chair

Creating Change That Improves The Lives Of People With Disabilities



NFDH

NATIONAL FOUNDATION
OF DENTISTRY
FOR THE HANDICAPPED

A charitable affiliate of the
American Dental Association

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Marie L. ...
Arlene ...
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**National Foundation
of Dentistry for the
Handicapped**

Fax

To:	Maria Ryan	From:	Fred Laviton
Fax:	907 200-8895	Date:	February 10, 2005
Phone:		Pages:	Cover
Re:	Testimony on HB 105	CC:	[Click here and type name]

To the House Committee on Education and Social Services

The Foundation of Dentistry for the Handicapped (FDH) supports HB 105 that would increase dental services for Alaska's Medicaid recipients. Since 1984, our organization - with the Alaska Dental Society- has provided dental care to many Medicaid recipients who are disabled or elderly through a network of 77 dentists throughout Alaska who each donate treatment for one or two such individuals each year through the Alaska Donated Dental Services (DDS) program.

Because of their ages or disabilities, these people cannot work or earn minimal incomes and cannot afford dental care. Mr. M. from Anchorage is one of the disabled and aged people helped through the DDS program. This 68 year-old man has struggled with three serious and persistent mental illnesses for most of his adult life - Schizophrenic Disorder, Depression, and Anxiety Disorder. Making his life even more difficult, he also is challenged with Glaucoma. Mr. M. applied for help because he was experiencing constant pain and difficulty chewing due to the poor condition of his teeth. His total monthly income from SSI, Alaska Public Assistance, and a part time job is \$849, which is barely enough to pay for his housing, food, medications, and transportation. Paying for costly dental treatment was out of the question for him.

Through a caring dentist who volunteers for the DDS program, Mr. M. was referred to a generous

volunteer dentist who donated the care he so desperately needed: several extractions, restorations, sealing, and a partial denture.

Since 1984, over 1,000 people have applied for help through the DDS program because they had no where else to turn for needed care for seriously-neglected problems. Though some are not qualified for Medicaid because their income is a little too high for eligibility, many others are Medicaid recipients who were suffering because Medicaid has not paid for needed dental care.

Even if the state were to include such treatment in the public aid program, many others would not qualify and we could still serve some through the Donated Dental Services program. Many others who we cannot help and are so vulnerable would benefit enormously from the passage of HB 105 and could get care before their problems progressed to where Mr. M. found himself needing over \$5,000 worth of treatment and suffering so much. We hope the Legislature can pass HB 105.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
FINANCE AND MANAGEMENT SERVICES

FRANK H. MURKOWSKI, GOVERNOR

P.O. Box 110650
Juneau, AK 99811-0650
Phone: (907) 465-3082
Fax: (907) 465-2499

February 11, 2005

Representative Peggy Wilson, Chair
Representative Paul Seaton, Vice-Chair
House HESS Committee
State Capitol, Room 108, 102
Juneau, AK 99801-1182

Dear Rep. Wilson and Rep. Seaton;

The following information is provided in response to the HESS Hearing of February 8, 2005 on the Adult Dental Bill, HB 105.

➤ *Base FMAP rate used in calculating the federal funds, 50% or higher?*

Staff did a projection of the number of native recipients based on actual adult dental claims (from FY03) and calculated that 75% of those would use the tribal dental system (100% FFP). The balance of recipients was calculated at 50% FMAP.

➤ *Were any travel costs included in the estimate?*

Transportation costs of \$150.0 were included for the full base year (FY07). We anticipate travel for restorative/preventive would be less frequently utilized than for emergency dental services and some of the adults traveling now for emergencies would just get additional dental services on the same trip.

➤ *What complaints have been received from dentists about the Medicaid provider agreements?*

There is variation in private dental participation in Medicaid/Denali KidCare across the state. This variation is based on the distribution of dentists, length of practice (established practices may take fewer Medicaid clients), and specialties (pediatric dentists generally see more Medicaid clients, children, than the typical general dental practitioner).

One of dentist's concerns with the adult dental benefits in Medicaid is the current level of service, emergency dental, represents a sub-standard level of dental care. This service enhancement would address those concerns and increase access in some practices with the service enhancement. The American Dental Association supports inclusion of adult dental

services in state Medicaid programs and has recognized the need to increase access to dental care.

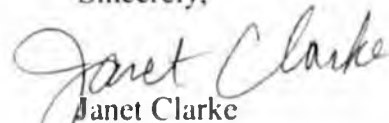
About 1/3 of the estimated recipients of the enhanced dental services would receive services in the Native health corporation dental programs. The enhanced dental services would increase tribal dental program capacity and financing through leveraging federal dollars for the service expansion (100% FFP Medicaid).

A number of Alaskan communities have been the beneficiaries of federal support for establishing community health centers. These centers provide dental services through referral arrangements, contracts with private providers and some are developing in-house dental programs as now offered at the Anchorage Neighborhood Health Center (e.g., Fairbanks and Talkeetna). These community health centers typically see many adults on the medical side of their programs; this service enhancement will support the financial viability of the clinic dental programs as they develop.

This bill will not solve all dental access issues in the Medicaid program. The bill represents a compromise in terms of a cap on preventive and restorative dental benefits (e.g., some clients will have dental treatment needs that exceed the cap) and an incremental approach, while recognizing the need to constrain Medicaid costs. The department feels the enhanced dental services is a priority for a number of reasons, however the department fully recognizes the need to work with private, tribal and non-profit dental programs to address the dental access issue.

Please contact me at 465-1630 if you need any further assistance.

Sincerely,



Janet Clarke
Assistant Commissioner

cc: Representative Tom Anderson, Capitol Building 408
Representative Vic Kohring, Capitol Building, Room 24
Representative Lesil McGuire, Capitol Building, Room 118
Representative Sharon Cissna, Capitol Building, Room 420
Representative Berta Gardner, Capitol Building, Room 422
Joel Gilbertson, Commissioner
Karleen Jackson, Deputy Commissioner
Sherry Hill, Special Assistant
Dick Mandsager, Director, Public Health
Dwayne Peeples, Director, Health Care Services
Laura Baker, Budget Chief, Finance and Management Services

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110601
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January 25, 2004

Honorable Peggy Wilson, Chair
House Health, Education and
Social Services Committee
Alaska State Capitol; Rm. 108
Juneau, AK 99801

Dear Representative Wilson,

The Department of Health and Social Services respectfully requests a hearing in the House Health, Education, and Social Services Committee on House Bill 105 "An Act relating to coverage for adult dental services under Medicaid; and providing for an effective date."

This bill would allow the Department of Health and Social Services to expand dental coverage to encompass preventative and restorative care for approximately 41,000 Alaskans enrolled in the Medicaid program.

A copy of Governor Murkowski's transmittal letter providing additional information on the bill and the associated fiscal note should be on file with the committee.

Your favorable consideration of this request will be appreciated.

Sincerely,


Sherry Hill, Special Assistant
Office of the Commissioner

cc: Kevin Jardell, Legislative Director
Office of the Governor

Mr. Dwayne Peeples, Director
Division of Health Care Services