

SB

79

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

PO BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030
FAX: (907) 465-3068

January 25, 2004

Honorable Fred Dyson, Chairman
Senate Health, Education and
Social Services Committee
Alaska State Capitol; Rm. 121
Juneau, AK 99801

Dear Senator Dyson,

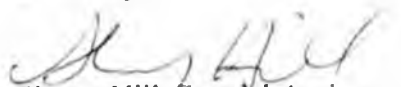
The Department of Health and Social Services respectfully requests a hearing in the Senate Health, Education, and Social Services Committee on Senate Bill 79 "An Act relating to coverage for adult dental services under Medicaid; and providing for an effective date."

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 Peoples, Director
Division of Health Care Services

SB 79



FRANK H. MURKOWSKI
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 2005

The Honorable Ben Stevens
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to coverage for adult dental services for eligible recipients under the Medicaid program (AS 47.07).

The State of Alaska's Medicaid program currently provides inadequate coverage for adult dental services. The services covered under existing law are limited to procedures for relief of pain and acute infection, and don't include necessary preventative or restorative treatment. This level of service often leads to the extraction of permanent teeth. Missing and decayed teeth (especially front teeth) can affect an individual's employability and/or career advancement opportunities. Furthermore, studies have documented the links and/or complications between dental disease and other chronic diseases including cardiovascular disease and diabetes. Recent studies have also implicated periodontal disease as a risk factor for pre-term, low birth-weight births.

Diseases of the mouth are not distinctly different from diseases in the rest of the body. The limitation for dental coverage is largely a distinction based on the type of health care provider; in that diseases of the oral cavity are largely treated by dentists. The lack of coverage to prevent more severe dental problems and/or extractions before they become "dental emergencies" often results in more expensive dental care and limits the dentist's ability to address dental problems. Dentists have reported frustration with not being able to treat teeth earlier before the person is in pain and when less costly treatment could be provided.

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. Specifically,

COMMITTEE COPY

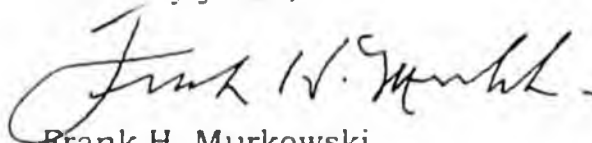
The Honorable Ben Stevens
January 21, 2005
Page 2

this bill would repeal AS 47.07.900(1), defining adult dental services as the minimum treatment for the immediate relief of pain and acute infection provided by a licensed dentist. Under the bill, the Department of Health and Social Services would adopt regulations implementing the expanded service, which could include regulations defining the scope of services, a maximum amount of benefits per fiscal year, and the amount of reimbursement for dental services.

The Alaska Mental Health Trust Authority has recognized access to dental services as a priority issue for their beneficiaries and has committed funding for part of the matching funds needed for this service expansion. The expanded services would be provided under an annual cap of \$1,150 per adult at the outset. The cap is intended to control costs of the service expansion and encourage the dentist and client to discuss priorities and treatment options. The Department of Health and Social Services and the Alaska Mental Health Trust Authority agreed to use this expenditure cap as a starting point to provide a level of service that would allow elderly Alaskans to receive a complete set of dentures over a two-year period. The dental expenditure cap for expanded services would not apply to the existing Medicaid coverage for emergency dental services.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 79
 (S) 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 | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES (0) | | | | | | |
|-------------------------------|--|--|--|--|--|--|

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. SB 79

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-GS1081VG
Mischel
2/11/05

CS FOR SENATE BILL NO. 79()

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

BY

**Offered:
Referred:**

Sponsor(s): SENATE 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.



February 15, 2005

The Honorable Fred Dyson, Chair
Senate Health, Education and Social Services Committee
Alaska State Capitol, Room 121
Juneau, AK 99801-1182

RE: SB 79-- (Governor Murkowski)--Support

Dear Chair Dyson:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Health, Education and Social Services Committee to support SB 79, introduced by the Senate Rules Committee at the request of Governor Murkowski.

Under Alaska's current Medicaid program, the only dental coverage offered adult beneficiaries is for emergency care. SB 79 would offer funding, albeit annually capped at \$1,150, which would begin to address preventive and restorative care. Currently, for example, an older Alaskan on Medicaid who resides in a long term care facility and needs dentures would not be able to secure them under the program. Older persons who have dental problems, missing teeth, or are in need of dentures often have accompanying nutrition problems. These nutrition problems can exacerbate other health issues and create an overall deterioration in health status. We believe dental care is essential to quality health care. Funding for dental care should be considered sensible prevention with the long term possibility of saving Medicaid funds that would not be need to be spent on more serious health care problems resulting from poor oral health status.

We urge an "AYE" vote on SB 79.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Gary Wilken
Senator Lyda Green
Senator Kim Elton
Senator Donny Olson
Governor Frank Murkowski
Commissioner Joel Gilbertson

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 1/24/05

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2.17.05

Health, Education and Social Services Committee considered

SENATE BILL NO. 79

SB 79 MEDICAID FOR ADULT DENTAL SERVICES

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

and recommends:

- be replaced with _____ CS SB 79 (HES)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- Same Title
 New Title

House Bill:

- Same Title
 Technical Title Change
 New Title w/ SCR # _____

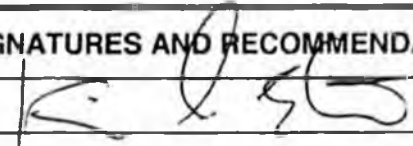
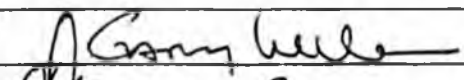
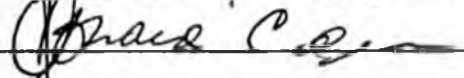
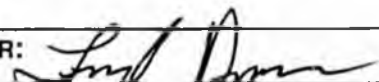
NEW FISCAL NOTE(S):

| Department | Date | Fiscal | Indet. | Zero | FN# |
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PREVIOUS FISCAL NOTE(S):

| Department | Date | Fiscal | Indet. | Zero | FN# |
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| HSS | 12/29 | | | | 1 |
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- APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | DO PASS | DO NOT PASS | NO REC | AMEND |
|--|---------|-------------|--------|-------|
|  | ✓ | | | |
|  | | | ✓ | |
|  | | | ✓ | |
| CHAIR:  | ✓ | | | |