

**HB**

**26**

<target><bill>HB 26</bill><subject>HB  
26</subject><comm>HFIN26</comm></target>



# 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  
 Sponsor: Hawker Component: Adult Preventative Dental Medicaid  
 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

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



3-11-09

AARP Alaska  
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Anchorage, AK 99503

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February 25, 2009

The Honorable Wes Keller, Co-Chair  
House Health and Social Services Committee  
Alaska Capitol, Room 13  
Juneau, AK 99801-1182

The Honorable Bob Herron, Co-Chair  
House Health and Social Services Committee  
Alaska Capitol, Room 415  
Juneau, AK 99801-1182

RE: HB 26 (Hawker)—Support

Dear Co-Chairs Keller and Herron:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Health and Social Services Committee to support HB 26, authored by Representative Mike Hawker and co-sponsored by Representatives Munoz, Gara and Kerttula.

Previously, under Alaska's Medicaid program, the only dental coverage offered adult beneficiaries was for emergency care. HB 105 offered funding, albeit annually capped at \$1,150, which began to address preventive and restorative care. Now, for example, an older Alaskan on Medicaid who resides in a long term care facility and needs dentures can 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.

Understandably, the Legislature wanted to evaluate the initial results of the program and scheduled it to sunset in June, 2009. As Representative Hawker indicates in his sponsor's statement, the program has moved adult Alaska Medicaid beneficiaries from "deferred maintenance" to "preventive maintenance." Representative Hawker's HB 26 would eliminate the sunset provision.

Of the 7,600 adults who have benefited, about 1,800 are older Alaskans, including 900 who received dentures. The average cost for care provided to a senior Alaskan in the program was \$855.

The only concern we have about the program is the annual cap of \$1,150. Although the average cost of a senior Alaskan was \$855, we understand that the fee for an upper or lower set of dentures is now between \$1,700 and \$1,800. We also understand that some adult Medicaid beneficiaries have more significant oral health problems that may go considerably beyond the cap.

One of the goals of the program was to provide care that might take a Medicaid beneficiary from being among the unemployed because of missing teeth (and unable to pass an employment interview) to enabling them to secure employment and eventually getting off the Medicaid program. Some of these adults will need more oral care than can be provided under the cap.

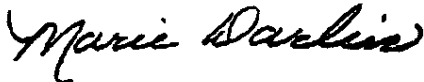
We suggest exploring the possibility of raising the cap to enable more beneficiaries to get the total dental care they need.

AARP urges an "AYE" vote on HB 26.

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

CC: Representative John Coghill  
Representative Bob Lynn  
Representative Paul Seaton  
Representative Sharon Cissna  
Representative Lindsey Holmes  
Representative Mike Hawker

# Representative Mike Hawker

## Alaska State Legislature



### House Bill 26

### Sponsor Statement

*Session:*

State Capitol  
Juneau, AK 99801  
907 465-4949 direct  
800 478-4950 toll free  
907 465-4979 fax

*Interim:*

716 W 4<sup>th</sup> Avenue  
Anchorage, AK 99501  
907 269-0244 office  
907 269-0248 fax

*House District 32:*

*Eagle River*  
*Anchorage*  
*Rainbow*  
*Indian*  
*Bird*  
*Girdwood*  
*Portage*  
*Whittier*  
*Sunrise*  
*Hope*

**“An Act repealing the repeal of preventative and restorative adult dental services reimbursement under Medicaid; providing for an effective date by repealing the effective date of sec. 3, ch. 52, SLA 2006; and providing for an effective date.”**

House Bill 26 would extend the current Medicaid Adult Dental program, which is scheduled to sunset this year. In 2006, the legislature passed House Bill 105, which restructured our approach to adult dental services allowed under Medicaid to provide a more complete level of services.

Prior to 2006, adults on Medicaid could only receive emergency care to relieve pain and fight infection. The passage of HB 105 authorized exams, cleaning, tooth restoration or extraction and dentures. In short, Alaska moved from a “Deferred Maintenance” to a “Preventative Maintenance” approach for adult dental care.

In order to have a chance to assess the viability of the program, the legislature added a sunset to the program of June 30, 2009. House Bill 26 would remove the sunset, allowing the program to become permanent.

**HB 26**  
**Sectional Analysis**

Prepared by Representative Mike Hawker's Office

- Section 1:** Repeals Section 3 and 5 of ch. 52, SLA 2006 (HB 105). Section 3 reinserted the statute as it existed before passage of HB 105; Section 5 repealed the new section added by HB 105.
- Section 2:** Repeals Section 7 of ch. 52, SLA 2006 (HB 105), which provided an effective date for Section 3.
- Section 3:** Immediate effective date.

## HB 26

### Adult Dental Program Facts

Prepared by Representative Mike Hawker's Office  
Information Provided by DH&SS

1. How many recipients have taken advantage of the program?

The unduplicated count of adult Medicaid recipients receiving these services since implementation of the services on April 1, 2007 – September 30, 2008 is approximately 9,300 adults. 283 dental providers participated in the program during this time period.

2. How much has been expended so far?

The expenditure information on preventative and restorative dental services for adult Medicaid recipients (in thousands of dollars) is:

Fiscal Year 2007 (4<sup>th</sup> Quarter): \$418.5

Fiscal Year 2008: \$4,640.5

*Providers have up to 12 months to submit Medicaid claims and the listed expenditures are based on the date the claims are paid.*

3. What services were the funds spent on?

The expenditures for categories of dental services for the period of April 1, 2007 – September 30, 2008 are:

- Fillings (1 and 2 surface amalgam and resin restorations): 9,313 procedures - \$1,015,196
- Root canal therapy on permanent teeth: 1,027 procedures (including 289 on front teeth) - \$435,412. *These are situations that would have often resulted in extracting teeth under the previous Medicaid Adult Dental program, which was limited to emergent care.*
- Dentures (includes full & partial dentures): 2,343 procedures - \$2,227,288. *Please note that the Medicaid program restricts denture coverage to every five years for adults, however procedures to adjust the fit of the dentures would be covered. The denture procedures and expenditures listed do not include repairs and/or adjustments to dentures.*

*Since providers have up to 12 months to submit Medicaid claims, these figures are based on claims that were processed by the 2<sup>nd</sup> week of November 2008 and could change based on future claims.*



# LAWS OF ALASKA

2006

**Source**  
SCS CSHB 105(FIN)

**Chapter No.**  
\_\_\_\_\_

## AN ACT

Relating to coverage for adult dental services under Medicaid; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to coverage for adult dental services under Medicaid; and providing for an effective  
2 date.

3

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) Subject to  
6 appropriation, the department shall pay for minimum treatment and for preventative  
7 and restorative adult dental services provided under AS 47.07.030(b) and under  
8 regulations adopted by the commissioner in conformity with applicable federal  
9 requirements and this chapter. Regulations adopted under this section must include the  
10 following:

11 (1) a maximum amount of benefits for preventative and restorative  
12 adult dental services of \$1,150 for each eligible recipient in a fiscal year; and

13 (2) specification of the scope of coverage for preventative and  
14 restorative adult dental services.

15 (b) On or before June 30 of each year, the department shall review  
16 appropriations available for the purposes of this section for the following fiscal year,  
17 and estimate the scope of services to be used and the number of eligible recipients  
18 anticipated to be served during the following fiscal year. Notwithstanding the  
19 maximum amount of benefits specified in (a)(1) of this section, the department shall  
20 reduce, by regulation, the specified maximum amount of benefits for the following  
21 fiscal year if the department's estimates under this subsection would exceed  
22 appropriations available for that fiscal year.

23 (c) Notwithstanding any contrary provision of AS 44.62, the department may  
24 adopt emergency regulations to implement (b) of this section.

25 (d) As used in this section, "minimum treatment" means the application or  
26 prescription of a medication or material deemed necessary by a licensed dentist for the  
27 immediate relief of pain or to reduce the spread of infection.

28 \* **Sec. 3.** AS 47.07.900 is amended by adding a new paragraph to read:

29 (20) "adult dental services" means minimum treatment for the  
30 immediate relief of pain and acute infection provided by a licensed dentist.

31 \* **Sec. 4.** AS 47.07.900(1) is repealed.

1     \* **Sec. 5.** AS 47.07.067, as added in sec. 2 of this Act, is repealed June 30, 2009.

2     \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
3 read:

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

8     \* **Sec. 7.** Section 3 of this Act takes effect July 1, 2009.

9     \* **Sec. 8.** Section 6 of this Act takes effect immediately under AS 01.10.070(c).

10    \* **Sec. 9.** Except as provided in secs. 7 and 8 of this Act, this Act takes effect July 1, 2006.



## Reauthorize preventative and restorative dental services for adult Medicaid recipients

The Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, and Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority, jointly support the reauthorization of preventive and restorative dental services for adult Medicaid recipients. Medicaid coverage for these services will sunset June 30, 2009 without legislative reauthorization. The provisions for this reauthorization are in HB 26.

- The Department of Health and Social Services reports that approximately 7,600 adult Medicaid recipients received these dental services in FY08 with 252 participating dental providers.
- The American Dental Association recommends adult preventive and restorative dental services be included in all state Medicaid programs, and as former U.S. Surgeon General C. Everett Koop stated, "You're not healthy without good oral health."<sup>i</sup>
- Trust beneficiaries continue to list dental services as a priority unmet health needs.
- Dental pain, missing and decayed teeth and infection can affect employment and job advancement, contribute to missed work, dietary choices for seniors, and complicate management of other chronic diseases.<sup>ii</sup>
- Individuals on public assistance who receive rehabilitative dental treatment (including fillings, extractions, and dentures) were ". . . twice as likely to receive favorable or neutral employment outcomes as they were to receive unfavorable outcomes."<sup>iii</sup>
- Dental infections due to periodontal disease have been associated with adverse pregnancy outcomes (e.g., pre-term births)<sup>iv</sup>, management problems for individuals with diabetes, risks for pneumonia in nursing homes, and other chronic diseases including cardiovascular disease.<sup>v</sup>
- The bacteria involved with the dental decay process are typically passed parent to child. Part of the efforts to reduce dental decay in young children relates to reducing the level of dental infection in the caregiver.<sup>vi</sup> Additionally, parents with dental coverage are more likely to access dental services for their children.
- The coverage of preventive and restorative dental care for adult Medicaid recipients along with necessary behavioral changes, over the long term, offer the potential for

reduced utilization of emergent dental services (e.g., accessing the hospital emergency room for management of a dental infection).

**Supporters:** AARP-Alaska, Alaska Public Health Association, Alaska Dental Society All-Alaska Pediatric Partnership, ANTHC and Alaska Primary Care Association.

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<sup>i</sup> Oral Health America, <http://www.oralhealthamerica.org/whoweare.html>, noting quote from C. Everett Koop, former U.S. Surgeon General.

<sup>ii</sup> Association of State and Territorial Health Officials (ASTHO), "The oral health and chronic disease connection", available at: [http://www.astho.org/templates/display\\_pub.php?pub\\_id=327](http://www.astho.org/templates/display_pub.php?pub_id=327), May 2002.

<sup>iii</sup> "Dental Treatment Highly Effective in Helping Welfare Recipients Gain Employment", University of California – San Francisco School of Dentistry", press release, March 10, 2004.

<sup>iv</sup> Lieff S, Hared H, McKaig R, et al., "Periodontitis and Preterm Low Birth Weight in Pregnant Women", *Journal of Dental Research*, 2000; 79(supplemental):608.

<sup>v</sup> U.S. Department of Health and Human Services (USDHHS), *Oral Health in America: A Report of the U.S. Surgeon General*, USDHSS, National Institute of Dental and Craniofacial Research, National Institutes of Medicine, 2000.

<sup>vi</sup> Berkowitz, RJ, "Causes, treatment and prevention of early childhood caries: a microbiologic perspective", *Journal of the Canadian Dental Association*, 69(5):304-307b, 2003.

# Adult Dental

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## **New Adult Dental Services**

On March 29, 2007, Alaska's Medicaid for adults began covering \$1,150 worth of preventive dental care, such as exams and cleanings, each year for Alaskans 21 and older who receive Medicaid services.

New services also include fillings, root canals and dentures.

In the past, adult dental Medicaid only treated emergency pain relief and acute infection.

For a full list of new services in the state regulations passed last year authorizing the changes, [click here](#).

The limited amount of preventive and restorative coverage, as well as limited access to dentists who accept Medicaid patients, means patients will need to

- ▶ plan carefully with their dentists what to do first, and when it can be scheduled;
- ▶ keep their appointments.

Missed appointments are a primary complaint among dentists. The state recently clarified that when dentists charge patients for missed appointments, that policy includes Medicaid patients. Medicaid will not cover the cost of missed appointments.

For help finding a dentist who takes new Medicaid patients, call the recipient helpline: 1-800-780-9972.

## **Funding**

The state investment of \$1.3 million in general funds is being matched with federal funds and \$1.425 million a year from the Mental Health Trust Authority, for a total annual cost of \$10.2 million, an eight-fold return on state general fund dollars.

The coverage expansion was added because infections in the mouth are no different than infections in other parts of the body. Dental infections cause pain, lost time at work and missing teeth can affect employability. Waiting for dental emergencies often results in more expensive dental care and limits the dentist's ability to address dental problems that will result in future dental emergencies.

## **Recommended Reading:**

- ▶ [press release](#)
- ▶ [fact sheet \(PDF\)](#)
- ▶ [letter to dentists explaining new regulations \(PDF\)](#)
- ▶ [state regulations authorizing the new services \(PDF\)](#)

## **Questions:**

- ▶ Recipient helpline: 1 (800) 780-9972

**Alaska Commission on Aging  
KEY POINTS TO KNOW ABOUT:**

**Continuation of the Medicaid Adult Dental Program  
February 2009**

**Issue:**

The Alaska Commission on Aging was a strong proponent of the original 2006 legislation which added preventive and restorative dental care to the palette of services available to adult Medicaid recipients. At the time, we realized that many low-income seniors were living with a variety of painful, destructive dental problems because they could not afford to pay for routine dental exams or dentures.

Prior to implementation of this program in 2006, dental services for Medicaid recipients were limited to expensive emergency care for relief of pain and acute infection only – often leading to extraction of permanent teeth. Waiting for dental emergencies resulted in more expensive dental care and limited the dentist's ability to address problems that would result in future dental emergencies.

While much of the focus on tooth decay concentrates on children, adults remain at high risk for dental decay, especially elderly and other adults on certain medications or undergoing cancer treatments that decrease saliva output. Studies have also shown the link between oral health and chronic diseases such as diabetes and cardiovascular disease. For seniors, the inability to properly chew food due to poor dentition leads to chronic malnutrition and its many consequences for health. Furthermore, those with ill-fitting dentures, missing teeth, no dentures, and other disfiguring dental problems may avoid the social engagement that is so essential to maintaining mental and physical health for seniors.

Program statistics for the period April 1, 2007 through September 30, 2008 indicate the following:

- ◆ Approximately 1,800 seniors were served by this program, comprising 19.4 percent of all those served.
- ◆ Approximately 900 seniors received dentures under the program, 38.6 percent of the total persons who received dentures.
- ◆ Expenses for seniors totaled 24.6 percent of program expenses.
- ◆ The average cost for care provided to a senior on the program was \$855.

**Recommendation:**

Re-authorize the Medicaid Adult Dental Program. Continue this beneficial program, which supports the health of low-income seniors and others.

# Alaska Primary Care Association

*"...uncompromising in the pursuit of access to primary care for all Alaskans."*



The Honorable Representative Hawker  
Alaska State House of Representative  
State Capitol, Room 505  
Juneau, Alaska 99801-1182

Re: Support for Medicaid for Adult Dental Services – HB 26

February 25, 2008

Dear Representative Hawker,

The Alaska Primary Care Association (APCA) represents 26 health care organizations and 141 non-profit Community Health Centers (CHCs), as well as other safety net providers throughout Alaska. In 2008, our sites provided primary healthcare to over 80,000 Alaskans from across the state.

The APCA supports repealing the repeal of preventative and restorative adult dental services reimbursement under Medicaid. The APCA knows that access to preventative dental services improve health outcomes and reduce overall health care costs. Oral health is critical for overall health and adults in the Medicaid program receiving access to dental services reduces the likeliness that they will develop more expensive and acute dental problems.

We appreciate your hard work and service to Alaskans and support your efforts to expand access to health care for all Alaskans.

Respectfully,

Regan Mattingly  
State Affairs Coordinator

Shelley S. Hughes  
Government Affairs Director

Alaska State Legislature  
HOUSE FINANCE COMMITTEE  
Agenda  
**1:30 PM**

Wednesday, March 11, 2009

HB 116 – IDITAROD REGISTRATION PLATES

✓Rep. Mark Neuman/ Jim Ellis, Staff, Rep. Neuman

Questions Via Teleconference:

✓Whitney Brewster, Director, Division of Motor Vehicles, Administration

HB 26 – MEDICAID FOR ADULT DENTAL SERVICES

✓Rep. Hawker/Juli Lucky, Staff, Rep. Hawker

✓ Brad Whistler, Division of Public Health, DHSS

✓Jon Sherwood, Director, Office of Program Review, DHSS

✓ Jeff Jessee, Chief Executive Officer, Alaska Mental Health Trust Authority

✓Marie Darlin, AARP

✓Severine Basham, Alaska Primary Care Association

See Teleconference List