

**REPORT TO THE TWENTY-FOURTH HAWAII STATE
LEGISLATURE 2007**

**IN ACCORDANCE WITH THE PROVISIONS OF
ACT 160, SECTION 4. (45), SECTION 41.1
SESSION LAWS OF HAWAII (SLH) 2006**

**DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
November 2006**

REPORT ON ACT 160, SECTION 4. (45), SECTION 41.1, RELATING TO THE STATE BUDGET, SESSION LAWS OF HAWAII 2006

Act 160, Section 4. (45), Section 41.1, SLH 2006, appropriated \$4,789,519 in State general and federal funds to the Department of Human Services (DHS) for adult dental care in the Medicaid QUEST managed care program (HMS 245). Budget proviso 41.1 also requires a report on: 1) the number of adults receiving these benefits; 2) the cost per person; 3) a total breakdown of administrative costs and other overhead costs; and 4) statistics, if available, of how this dental program is reducing the number of emergency dental-related medical procedures.

1) The number of adults receiving these benefits:

Since 1996, dental coverage for adults in Medicaid has been for emergency dental services only.

All Medicaid clients, -- those in the Fee-For-Service (FFS) program (the Aged, Blind, and Disabled in HMS 230) and those in the QUEST managed care plans (the non-Aged, non-Blind, and non-Disabled in HMS 245) -- have received all their Medicaid dental benefits through the Medicaid FFS program since October 2001.

During the Regular Session of 2006, the Legislature approved the Administration's Executive Supplemental Budget request for both the FFS (HMS 230) and QUEST (HMS 245), programs, specifically \$2,840,000 for HMS 230 and \$4,789,519 for HMS 245, to restore specific preventive and restorative dental services for Medicaid adults. By offering these preventive/restorative benefits, recipients can avoid more costly emergency services and have better health outcomes.

The adult dental program, PADD (Prevent Adult Dental Decay), which will be available to both QUEST and FFS Medicaid adults, is projected to begin in December 2006 and, therefore, no numbers of actual recipients can be provided at this time. However, it is estimated that approximately 10,000 adults will receive dental services through June of 2007. (The number of aged, blind, or disabled adults who are in Medicaid Fee-For-Service and are estimated to receive dental services through June of 2007 is reported by DHS separately in the Act 160, Section 4. (43), Section 39.1 report to the 2007 Legislature.)

2) The cost per person:

Each person can receive specific preventive and restorative services, including dentures, per fiscal year equivalent to \$500. Medicaid adults will also be able to receive up to an additional \$500 in dentures per fiscal year if medically necessary.

3) Total breakdown of administrative costs and other overhead costs:

The HPMMIS (Hawaii Pre-Paid Management Information System) Medicaid claims system will be modified to process claims up the prescribed adult benefit limits in the Hawaii Administrative Rules which are being amended to add these new dental benefits for Medicaid adults. The HPMMIS system change will be done within the Division's

allotted budget. It is anticipated that any additional review requirements can be accomplished within the current dental consultant's allotted time, which has already been factored into the Med-QUEST budget.

4) Statistics, if available, of how this dental program is reducing the number of emergency dental-related medical procedures:

During the most recent State fiscal year (2006) 8,400 QUEST enrollees received emergency dental services through the fee-for-service program at a cost of just more than \$2 million. (Medicaid FFS participants who received emergency dental services are reported by DHS separately in the Act 160, Section 4.(43), Section 39.1 report to the 2007 Legislature.)

As preventive/restorative services have not yet begun, it is difficult to project how the provision of the specified dental services will impact upon "emergency" dental services. As Medicaid has only provided "emergency" services for adults since 1996, preventive and restorative services have not been available for ten years. The opportunity for adults to routinely receive basic dental care has not been available to Medicaid adults since 1996, making oral hygiene largely the responsibility of the individual without the benefit of modern technology or prophylaxis treatment. Therefore, it is possible that for those who have neglected their own oral hygiene over the past 10 years, access to basic preventive and restorative services will not necessarily prevent an "emergency" dental episode.

Further, even when services are available, historically, utilization tends to be low (only 10% of the Medicaid population) indicating that problems may not be identified and may still result in the need for an emergency "extraction" or visit to the emergency room to alleviate pain. Offering basic preventive and restorative services and utilization of the services consistently, over a period of time, is expected to have a positive impact on the frequency of "emergency" episodes, but the Department does not foresee an immediate decrease in the number of emergency dental-related visits.

In the initial period that the restored adult benefits are made available to Medicaid recipients, we will likely see an increase in the number of visits for the provision of restorative/preventive services. In attending to those cases that present themselves for the preventive or restorative services, the dentists may see cases that warrant "emergency" care as the individual may not have been aware of the severity of the problem or did not go in because of the previous lack of coverage. The result of seeing more people for routine care may result in a corresponding increase in the provision of emergency dental care as well due to dentists being able to diagnose and treat Medicaid recipients for the first time in a long time.

Notwithstanding an initial period of time during which emergency dental costs are projected to remain the same or increase for the reasons stated above, the Department is confident that restoration of the specified basic preventive and restorative dental benefits for Medicaid adults will improve their health and self-sufficiency as well as save the State costs in the long run.