
Pediatric Oral Health Benefits in Virginia

From Medicaid to the Exchange

Cindi B. Jones

Director, Department of Medical Assistance Services

Director, Virginia Health Reform Initiative



Today

- Current dental benefits for low-income Virginians
- Dental benefits in a post-2014 world
- How do we get there?



Smiles for Children – Virginia's Medicaid Dental Program

- Fee for service dental health benefit managed by DentaQuest
- Implemented in July 2005
 - At the time just over 600 dentists accepted Medicaid
 - Almost 75% of the children enrolled in Medicaid did not see a dentist
- Created due to broad base of support (DMAS, GA, Dentists, predecessor to the Virginia Oral Health Coalition)
- Included 30% increase in reimbursement for dental services
- Provides comprehensive dental benefits for children
- Provides *very limited* adult dental benefits

Smiles for Children – Coverage

Children:

- Preventive
- Restorative
- Orthodontic
 - Under 21 up to 200% FPL through Medicaid, FAMIS and FAMIS Plus



Adults:

- Emergency Extractions
- Associate diagnostic services
 - Parents up to 29% FPL
 - Aged, blind or disabled up to 80% FPL

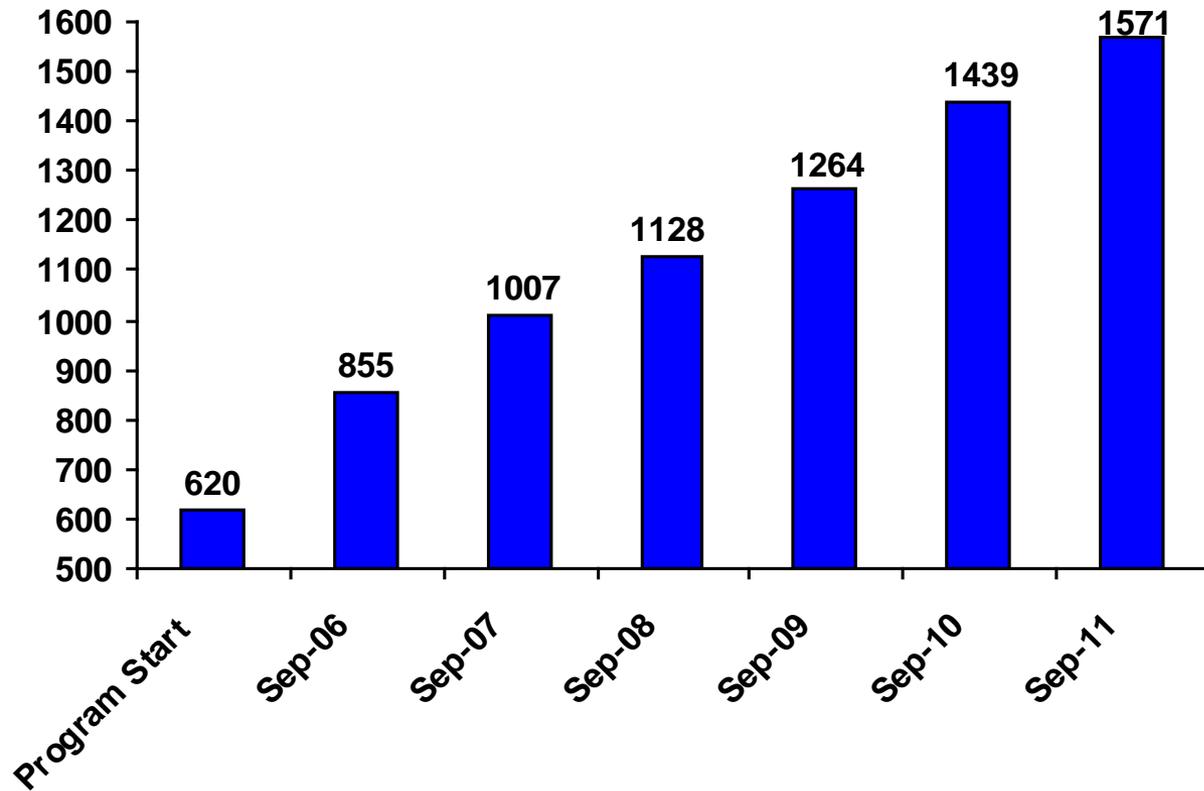


After five years, much success

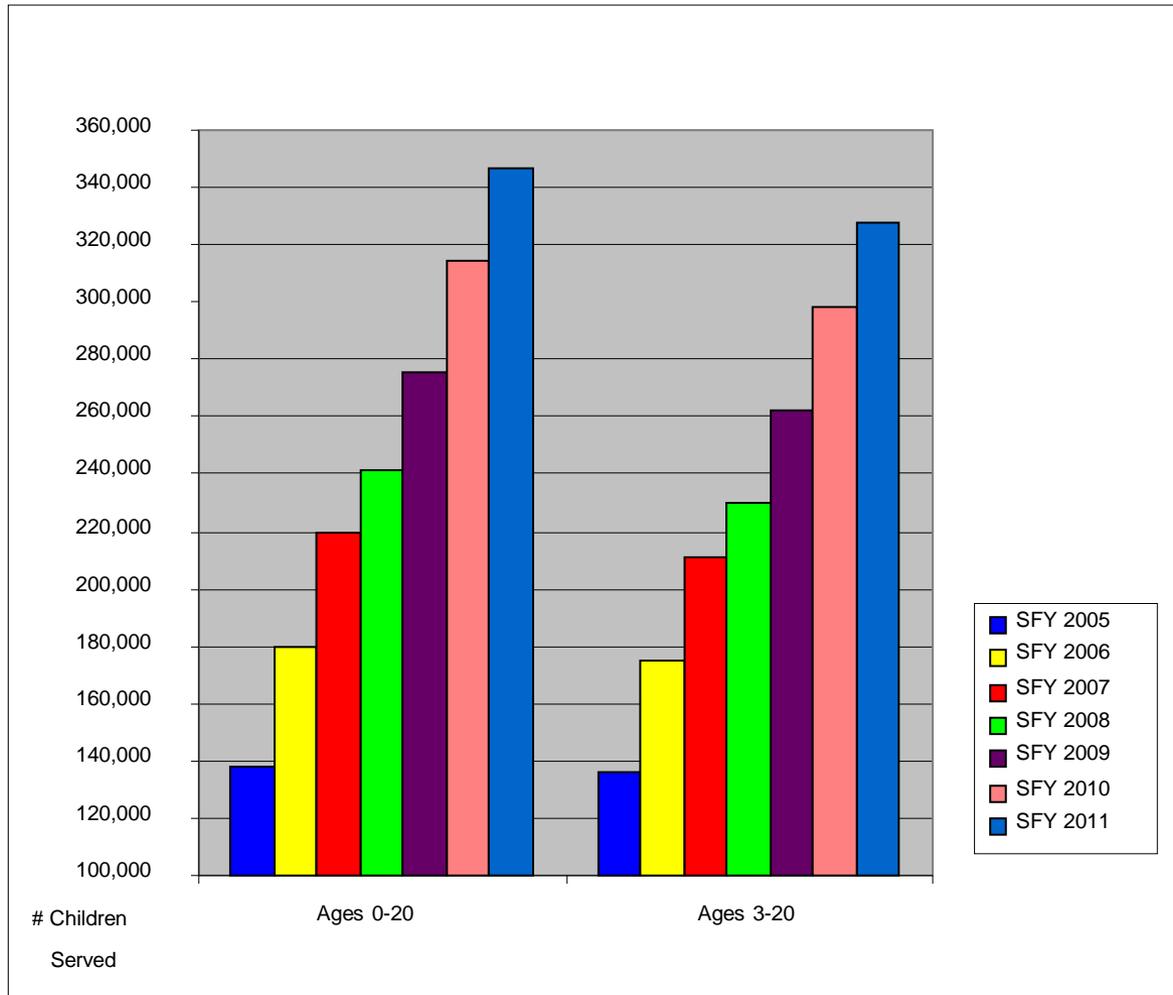
- **Almost a 150% increase in number of dental providers accepting Smiles for Children**
 - 80% submit claims regularly
 - Seeking stable payer source
 - Pediatric and oral surgery network increasing
 - 94% provider satisfaction
- **128% increase in number of children accessing dental services**
- **CMS identified Virginia (1 of 8 states) as a best practices state for Medicaid dental programs.**



Increase in Number of Providers



Increase in Utilization



Current Challenges

- **Reimbursement for dental services is stagnant**
- **Medicaid has limited financial resources and competition with other governmental programs**
- **More children enrolled due to economic downturn**
- **Older and retiring provider populations**
- **Rural areas face difficulty in recruiting new providers**
- **Limited awareness of integral relationship between oral health and overall health**

Still much to be done...

- **Utilization rate is still too low – a child with private dental insurance is almost twice as likely to see a dentist than a child with Medicaid¹**
- **13 localities in VA do not have a dentist that accepts Medicaid**
- **Funding cuts have decreased the number of public health dentists by 50%**
- **41% of Virginia localities are designated Dental Professional Shortage Areas**

Source: ¹Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2006 Full Year Population Characteristics File

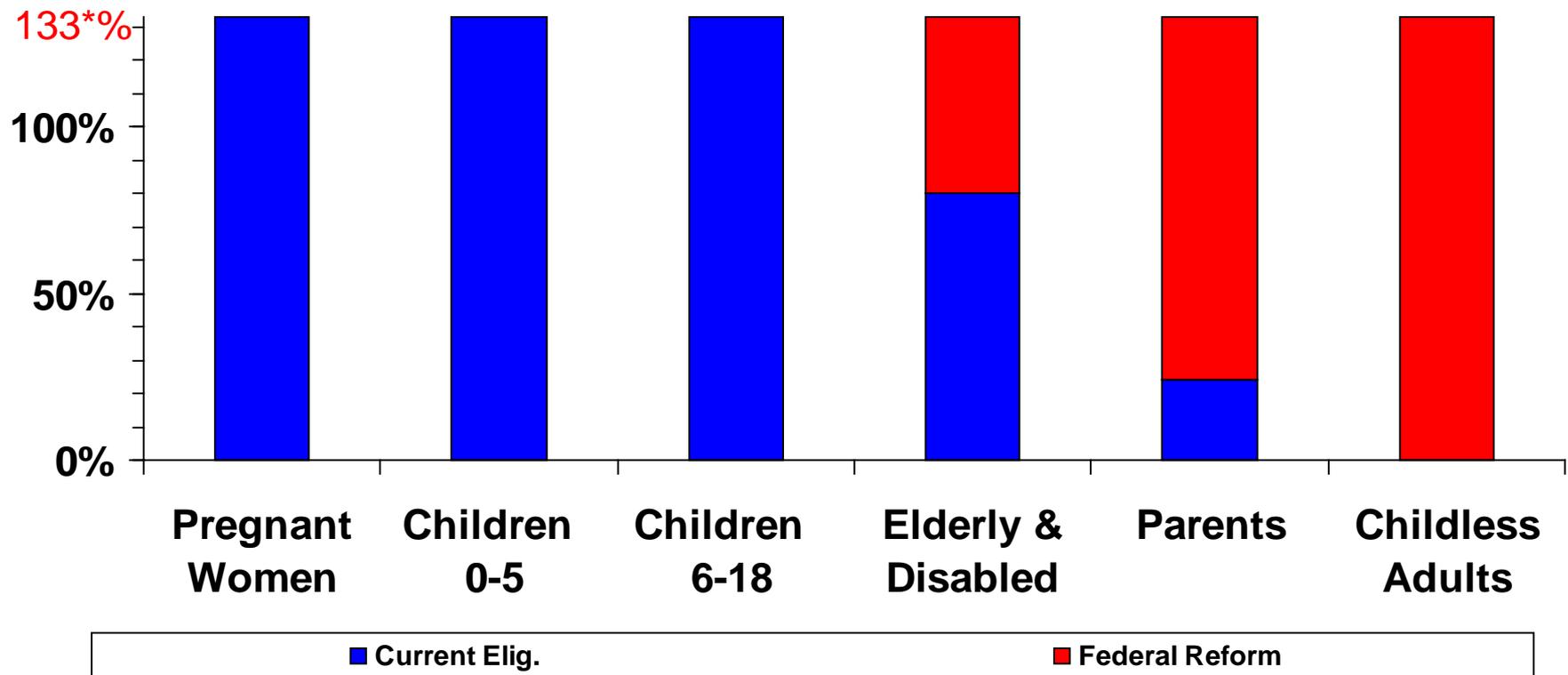
Change is coming...

THE PATIENT PROTECTION AND AFFORDABLE CARE ACT

PPACA – Overview

- **Expands Medicaid to individuals with incomes up to 133% of the federal poverty level (FPL) in 2014**
- **100% coverage by federal funds for 2014-2016, phases down to 90% by 2020**

Federal Health Reform: Impact on Medicaid Eligibility



*Does not include 5% income disregard;
133% of federal poverty is \$14,404 for an individual and \$29,327
for family of four (in 2010)

PPACA – Overview

- **Creates Health Benefit Exchanges by 2014**
 - **Small business (currently 50 employees or less, up to 100 employees in 2016)**
 - **Individuals 133%-400% FPL**
 - **Premium assistance and cost-sharing for individuals**
- **Opportunity to provide pediatric dental and medical coverage to individuals currently unable to afford it**
- **Provides significant momentum to examine and implement needed reforms**

PPACA in Virginia

- **Health Reform will cut number of uninsured Virginians by half**
- **Approximately 420,000, will be added to Medicaid**
 - **Newly enrolled adults will have limited dental benefits**
 - **Children's oral health benefits will not change**
- **The Exchange:**
 - **67,000 will gain group coverage**
 - **39,000 will gain individual coverage**

Source: Urban Institute VHRI presentation

PPACA in Virginia – 2010 Changes

Insurance reforms already in place:

- Insurance plans cannot place lifetime limits on care
 - 4.8 million Virginians
- Young adults can stay on their parents' plan until their 26th birthday
 - 31,200 young adults in VA
- Insurance companies are prohibited from denying coverage for pre-existing conditions in children
 - 438,000 children in VA

Source: Healthcare.gov (<http://www.healthcare.gov/law/resources/va.html>)

PPACA – Oral Health Coverage Provisions

- **PPACA requires dental coverage be part of the “essential benefits” package for children under 21**
 - **Dental coverage is not required for adults**
- **Bars insurance plans in Exchange from charging out-of-pocket for oral health preventive care**
- **Enables stand-alone dental plans to provide dental benefits in the Exchange**
- **Children enrolled in Medicaid/ FAMIS 200% FPL and below will see no change in oral health**
- **Adults newly eligible for Medicaid will have limited emergency dental benefit**
- **Cost-sharing and tax subsidies only available for pediatric benefit**



What is an Exchange?

A Health Benefit Exchange is a marketplace where small groups and low-income individuals can purchase insurance. Premium assistance and cost-sharing is available based on income for individuals purchasing insurance through an exchange.

What is an Exchange?

The Exchange was created to:

- **Address issues prevalent in the individual and small business market, including:**
 - **High/volatile premiums;**
 - **Lack of coverage; and,**
 - **Rescission of coverage denials based on preexisting conditions**
- **Provide consumer education about various insurance choices**
- **Provide assistance with eligibility determinations for Medicaid, premium assistance tax credits and cost-sharing reductions**

What is an Exchange?

- **Limited to U.S. citizens and legal immigrants**
- **Small businesses up to 50 employees currently and 100 employees by 2016**
- **Plans required to offer benefits that meet a minimum set of standards**
 - **Four levels of coverage with varying:**
 - **Premiums;**
 - **Out-of-pocket costs; and,**
 - **Benefits**
- **Premium subsidies will be provided to families with incomes up to 400% FPL who do not have access to other coverage**
- **Cost-sharing subsidies available to people with incomes between 100-250% FPL**

Subsidies and Cost Sharing

- **Individuals up to 400% FPL are eligible the for tax credits that reduce premium costs**
- **Individuals with incomes up to 250% FPL also are eligible for reduced cost-sharing (e.g. coverage with lower deductibles and copayments)**
- **Cost-sharing and premium tax credits are not available for insurance plans for adult dental care – only for the pediatric dental benefit**

What is the amount of the tax credit provided to individuals?

Income, as percent of FPL	Premium, as percent of income
Up to 133% FPL	2% of income
133%-150%	3%-4%
150%-200%	4%-6.3%
200%-250%	6.3%-8.05%
250%-300%	8.05%-9.5%
300%-400%	9.5%

Exchange – Subsidy Example

2010 Federal Poverty Thresholds¹ (family of 4 with 2 kids):

- 133% FPL: \$24,987.69
- 400% FPL: \$88,452

Health Reform Subsidy Example ²	
Projected income in 2014	\$45,000 (192% FPL)
Unsubsidized health insurance premium in 2014 adjusted for age	\$12,130 (Based on an age factor relative to a 40 year-old of: 1.00)
Maximum % of income the person/family has to pay for the premium if eligible for a subsidy	5.94%
Actual person/family required premium payment	\$2,672 (which equals 5.94% of income and covers 22% of the overall premium)
Government tax credit	\$9,459 (which covers 78% of the overall premium)

Sources: ¹Census.gov

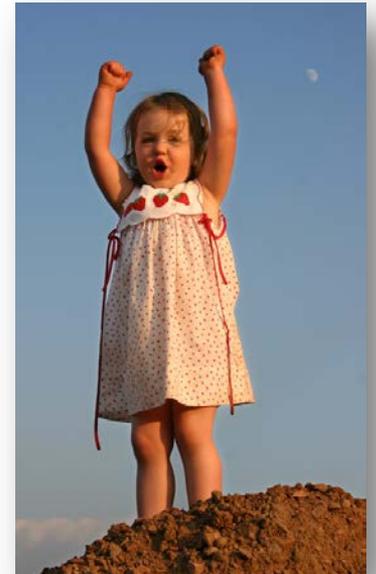
²Kaiser Family Foundation, Health Reform Subsidy Calculator

Open Questions

- **What should constitute “pediatric oral service”?**
 - **Awaiting guidelines from HHS, however guidelines may still require clarification**
- **How should dental plans be qualified to offer coverage on the exchange?**
 - **Awaiting guidelines from HHS, however guidelines may still require clarification**
 - **Demonstrate adequate providers**
 - **Quality**
 - **Transparency**
- **Should the consumer protections applicable to medical plans be applicable to all dental plans, just dental plans with specific pediatric benefits or no dental plans?**
 - **External appeals**
 - **Cost-sharing**
 - **Network Adequacy**

The Challenge – Pediatric Benefit

- Ensuring adequate dental providers to care for increase in insured
- Ensuring the subsidies and cost-sharing is available to consumers purchasing pediatric dental coverage
- Ensuring consumers are aware of the pediatric dental benefit, which may be confusing



PPACA Implementation in VA - VHRI

“Every Virginian needs access to affordable health care. The challenge is how to provide that access in an economically responsible manner. The recommendations of the Council will help create an improved health system that is an economic driver for Virginia while allowing for more effective and efficient delivery of high quality health care at lower cost.”

~ Governor McDonnell



Implementing the Exchange in VA

- **Virginia Health Reform Initiative (VHRI) was created by Governor McDonnell to develop health reforms that go beyond federal reform**
- **24 member Advisory Council to make recommendations**
- **Timeline of progress:**
 - **December 2010: Advisory Council approved recommendations for health care delivery in the Commonwealth – recommended Virginia create its own Exchange**
 - **May 26, July 15 and September 9, 2011: VHRI held three scheduled meetings and solicited input and create recommendations for the help address the governance and structure of Exchange**
 - **October 1, 2011: Advisory Council submitted recommendations to the Governor regarding the creation of the Health Insurance Exchange in Virginia**

Implementing the Exchange in VA

Above all: keep it simple so that employers and average citizens can understand how to use and benefit from the HBE marketplace.

VHRI Recommendations

- **Exchange should be housed in a quasi-government agency, similar to VHDA, with flexibility in hiring, compensation, procurement and transparency set by statute**
- **The small business and individual pools should be separate in the Exchange but have one administrative structure**
- **The Exchange should use national standards to determine if a plan is qualified and allow all qualified plans to participate**
- **New and existing state mandated benefits should be covered inside and outside the Exchange in the small business and individual markets**

VHRI Recommendations

Duties of the Exchange:

- Certification of qualified plans
- Call center
- Website
- Tax credit/cost-sharing calculator
- Quality rating system
- Navigator program
- Eligibility determination
- Enrollment
- Administration of tax credits and cost sharing
- Appeals of eligibility determinants
- Outreach and education
- Risk adjustment

Next Steps

- **Legislation to create Exchange**
- **Administrative and IT systems development**
- **Continued outreach to increase provider base**
- **Ongoing consumer education**

