



Surveying the Landscape: *Current Funding/Policy Conditions of Oral Health*

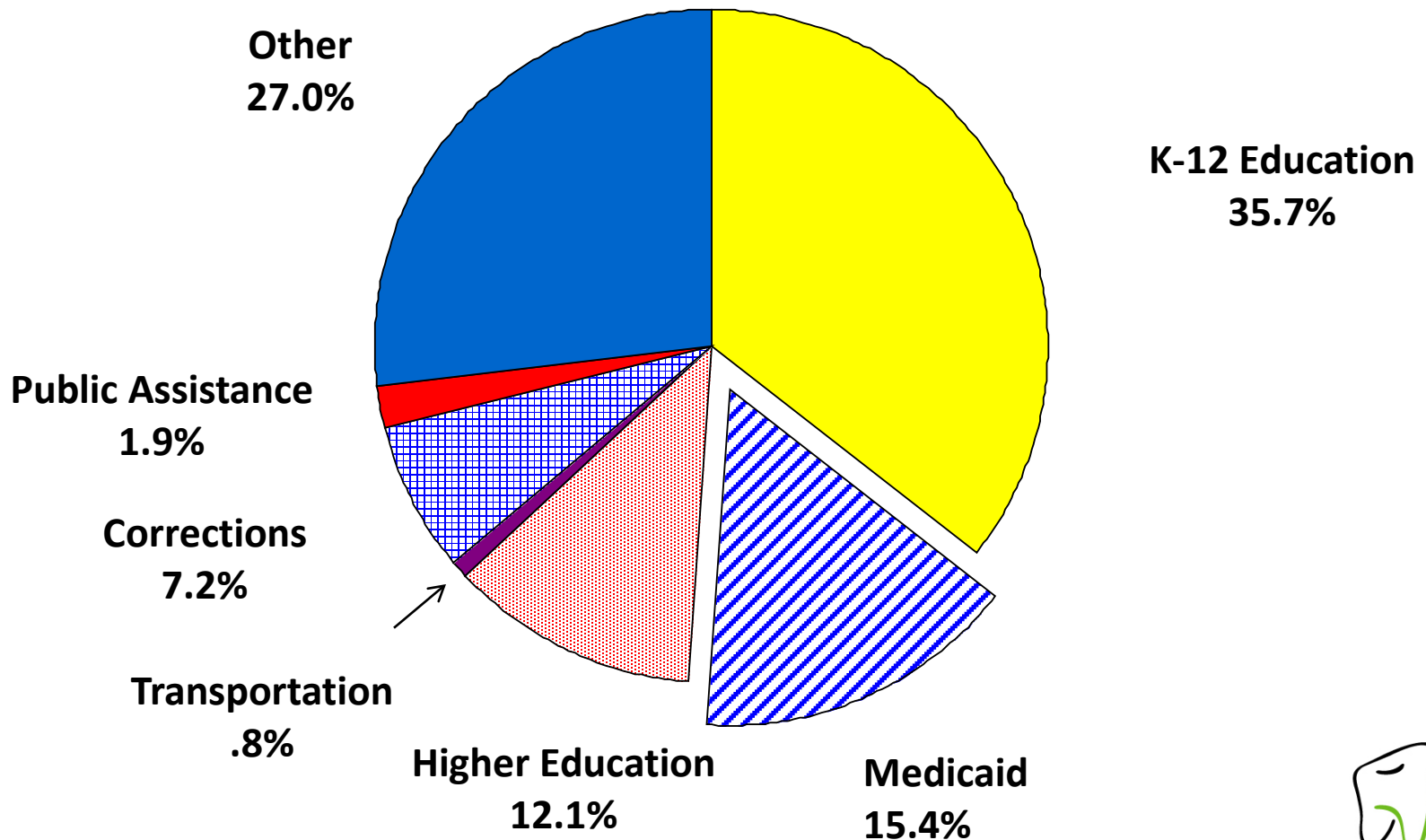
Patrick W. Finnerty

October 21, 2011

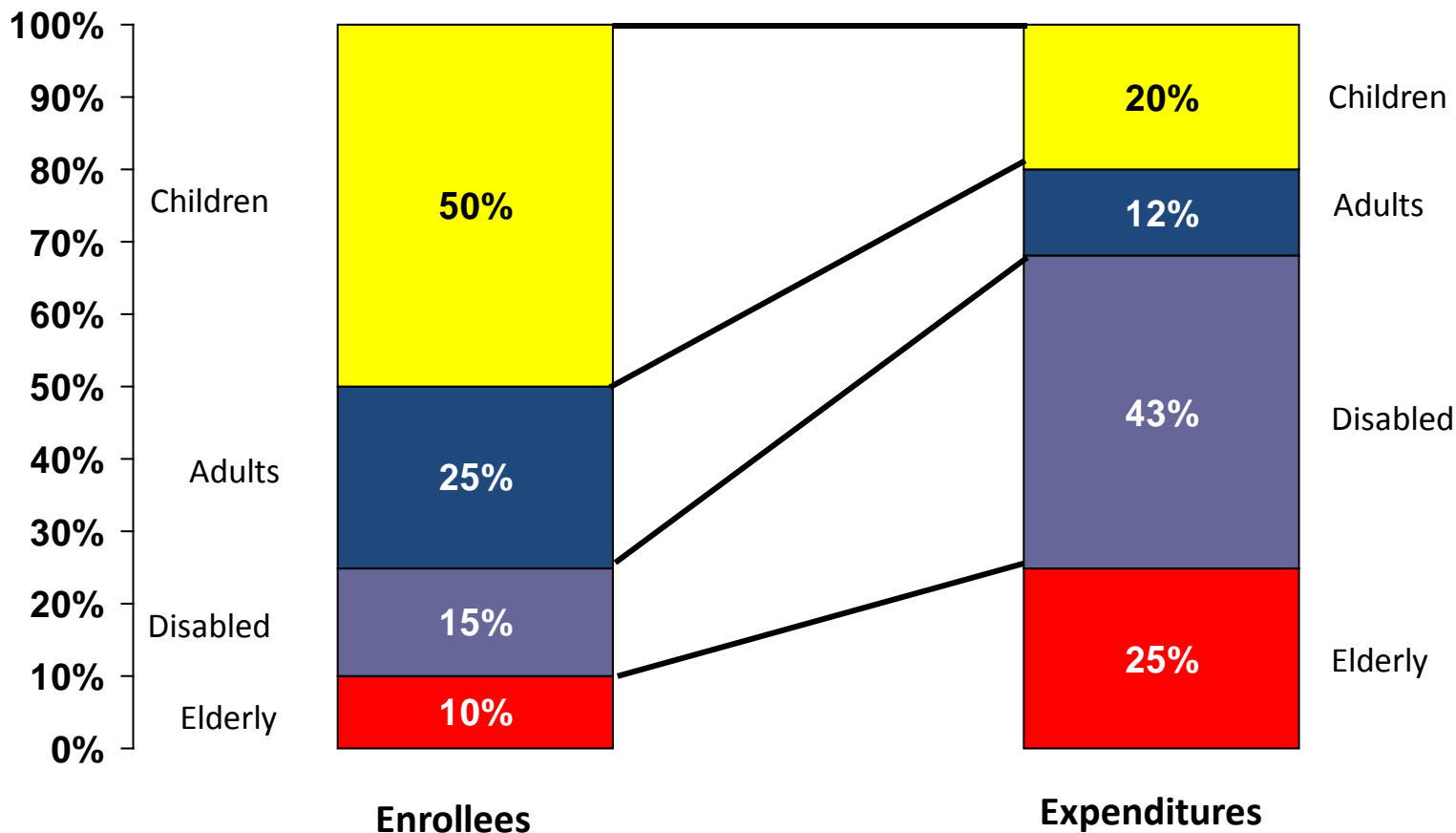
Medicaid Quick Facts

- Largest public health insurance program covering approximately 60 million low-income Americans:
 - 30 million children; 15 million adults; 14 million aged, blind & disabled; 9 million “duals”
- On average, Medicaid covers nearly one in five Americans
- Estimates of 2010 total Medicaid expenditures exceed \$427 billion
- 2nd largest General Fund program in most states’ budgets

State General Fund Spending FY 2010

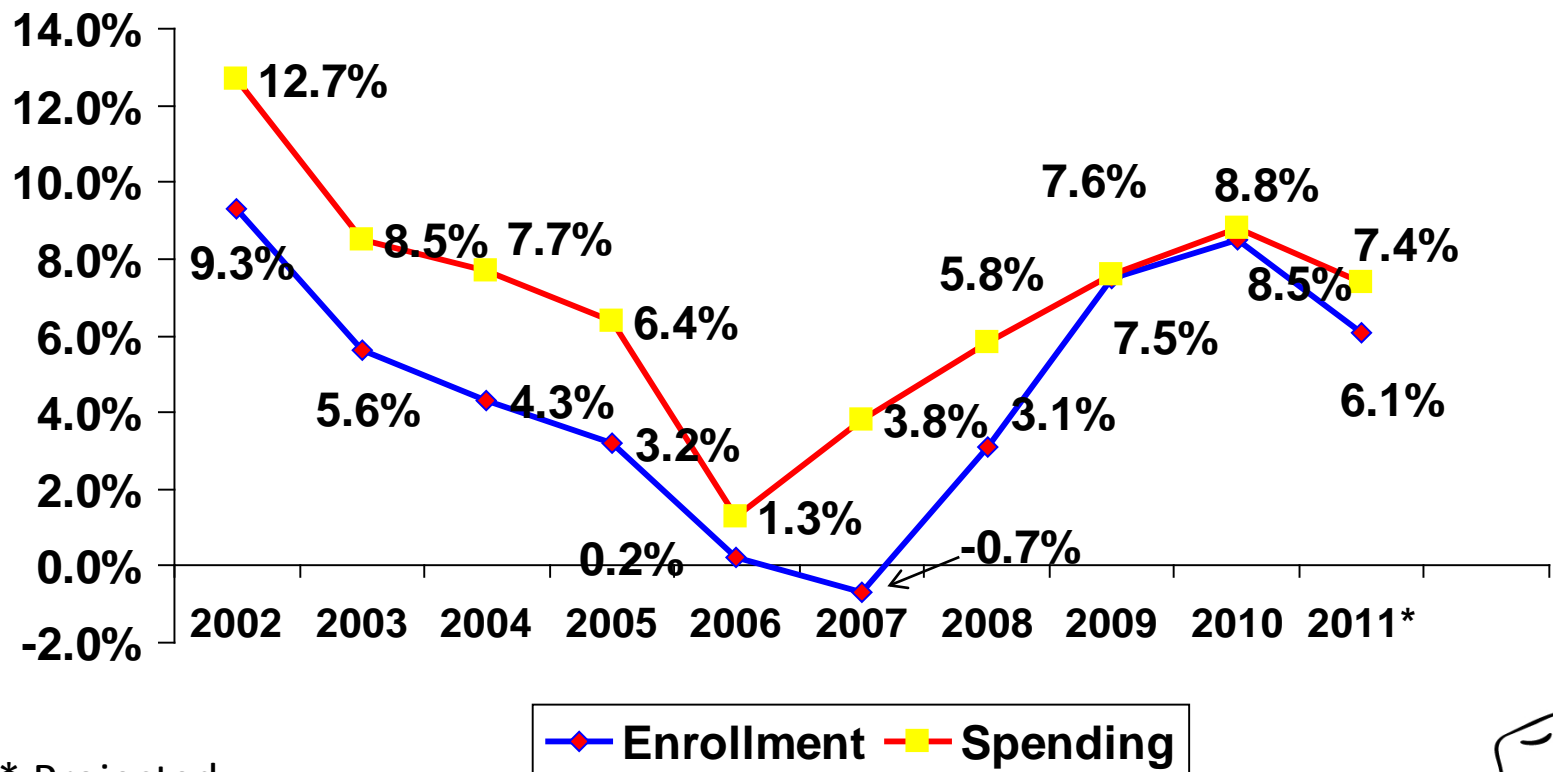


Medicaid Enrollees and Expenditures: 2009

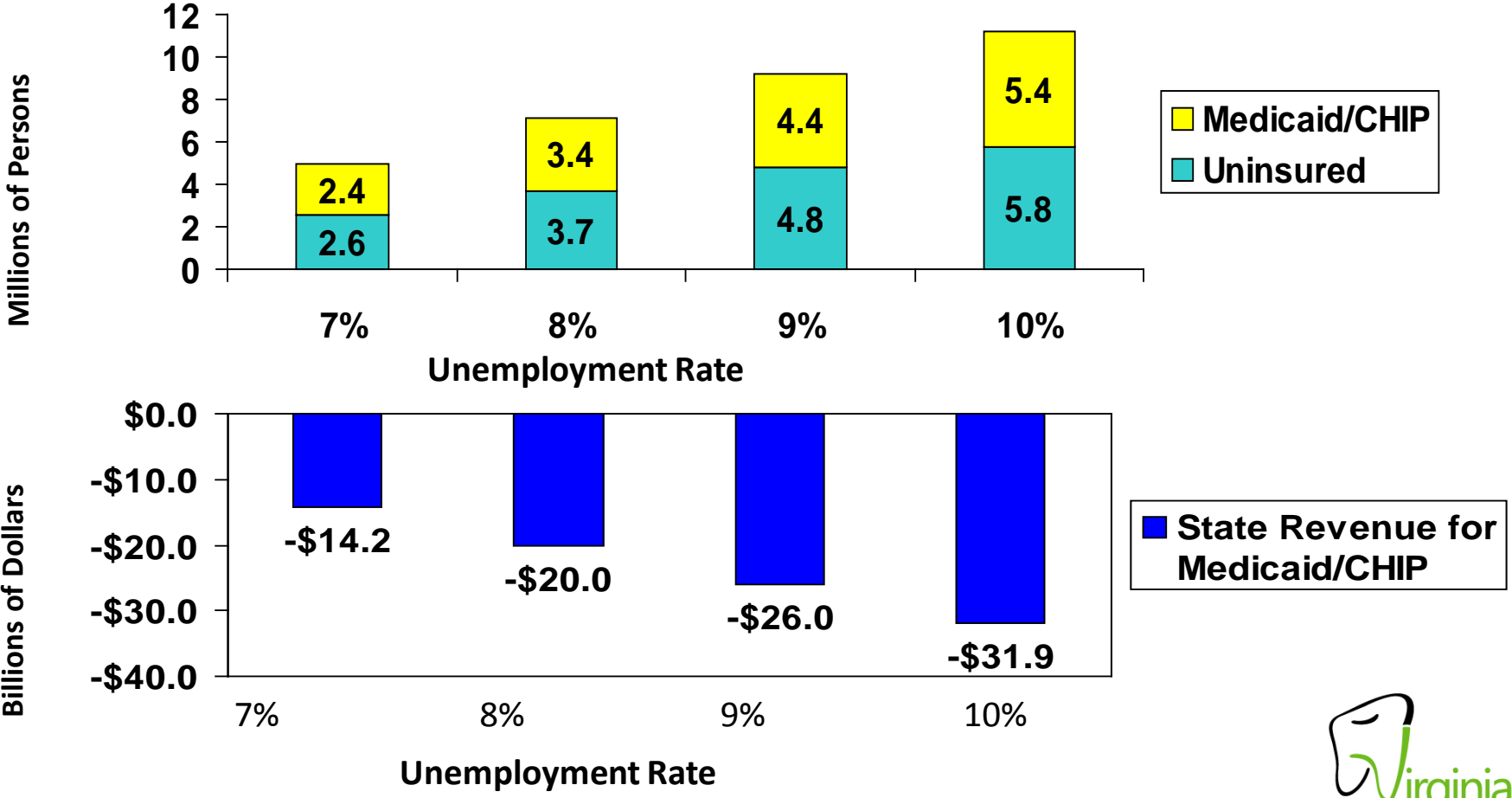


Source: Kaiser Commission on Medicaid and the Uninsured; "A Medicaid Primer," June, 2010

Enrollment is a Primary Driver of Medicaid Spending

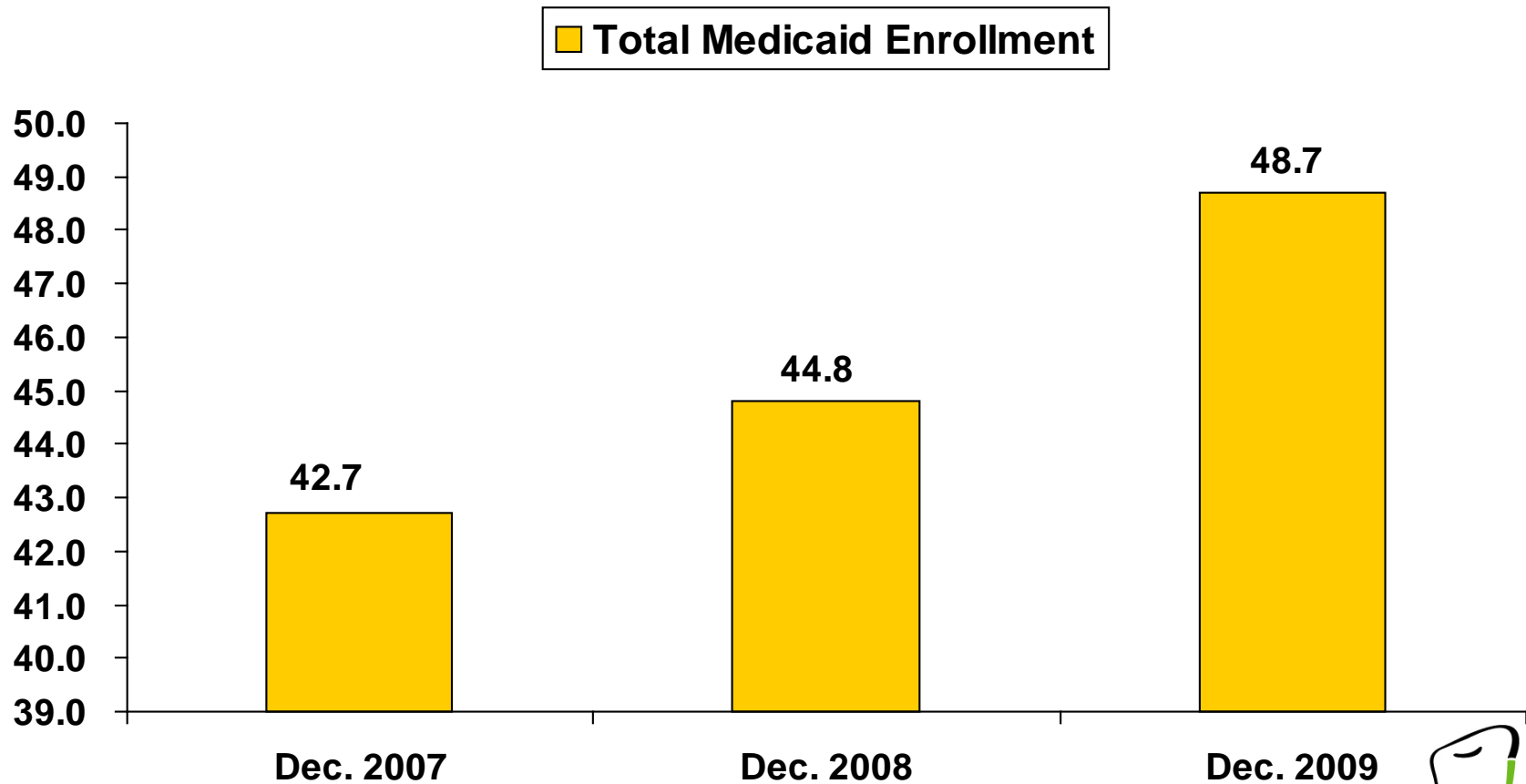


Unemployment Increases Enrollment & Reduces State Revenues



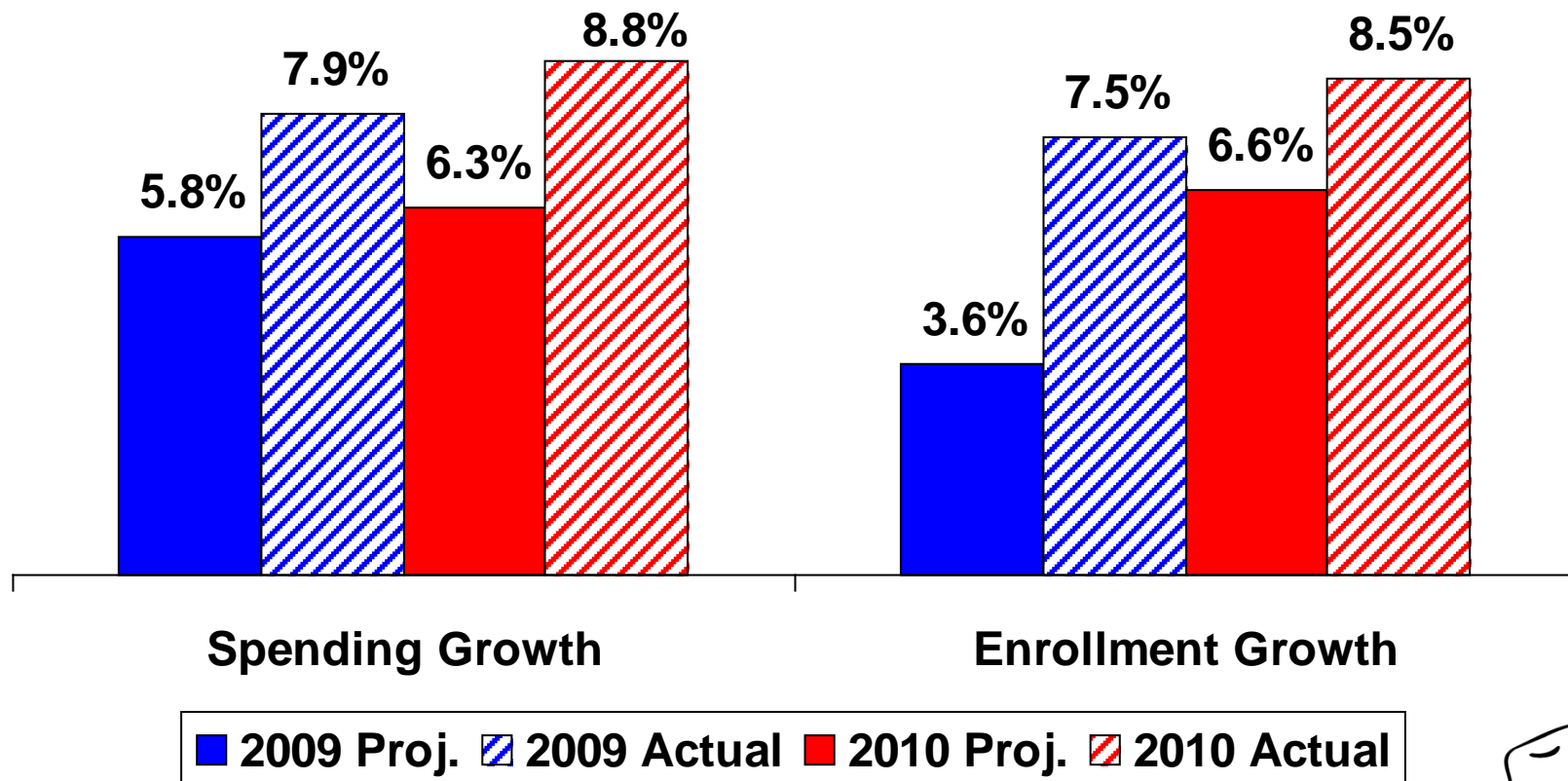
Source: New England Journal of Medicine, March, 2009

Enrollment Increased By Six Million Since Start of Recession



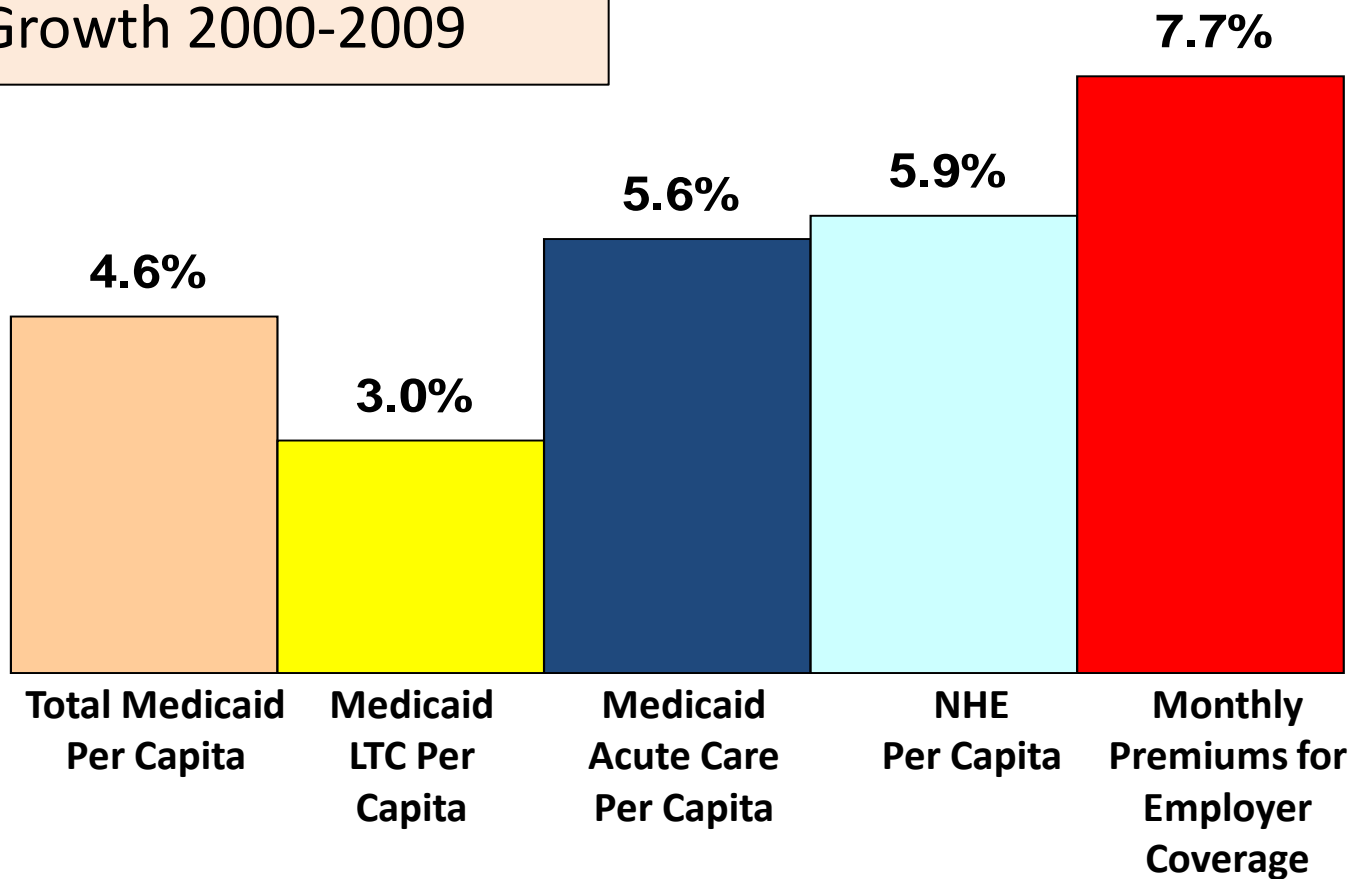
Source: Kaiser Commission on Medicaid and the Uninsured "Medicaid Spending Growth And The Great Recession, 2007-2009;" February, 2011

Total Medicaid Spending and Enrollment Growth



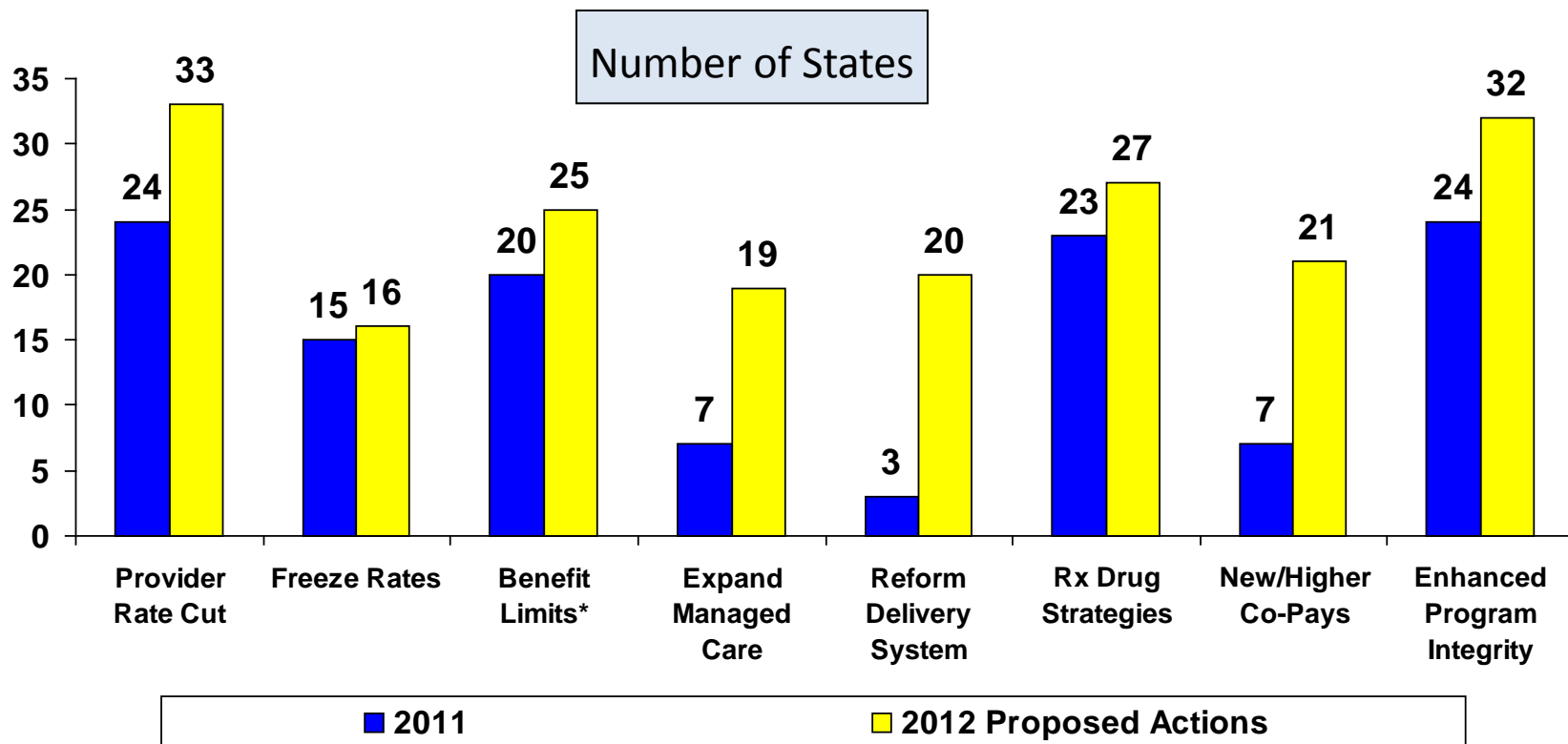
Annual Medicaid Spending Growth Compared to Other Benchmarks

Average Annual Spending Growth 2000-2009



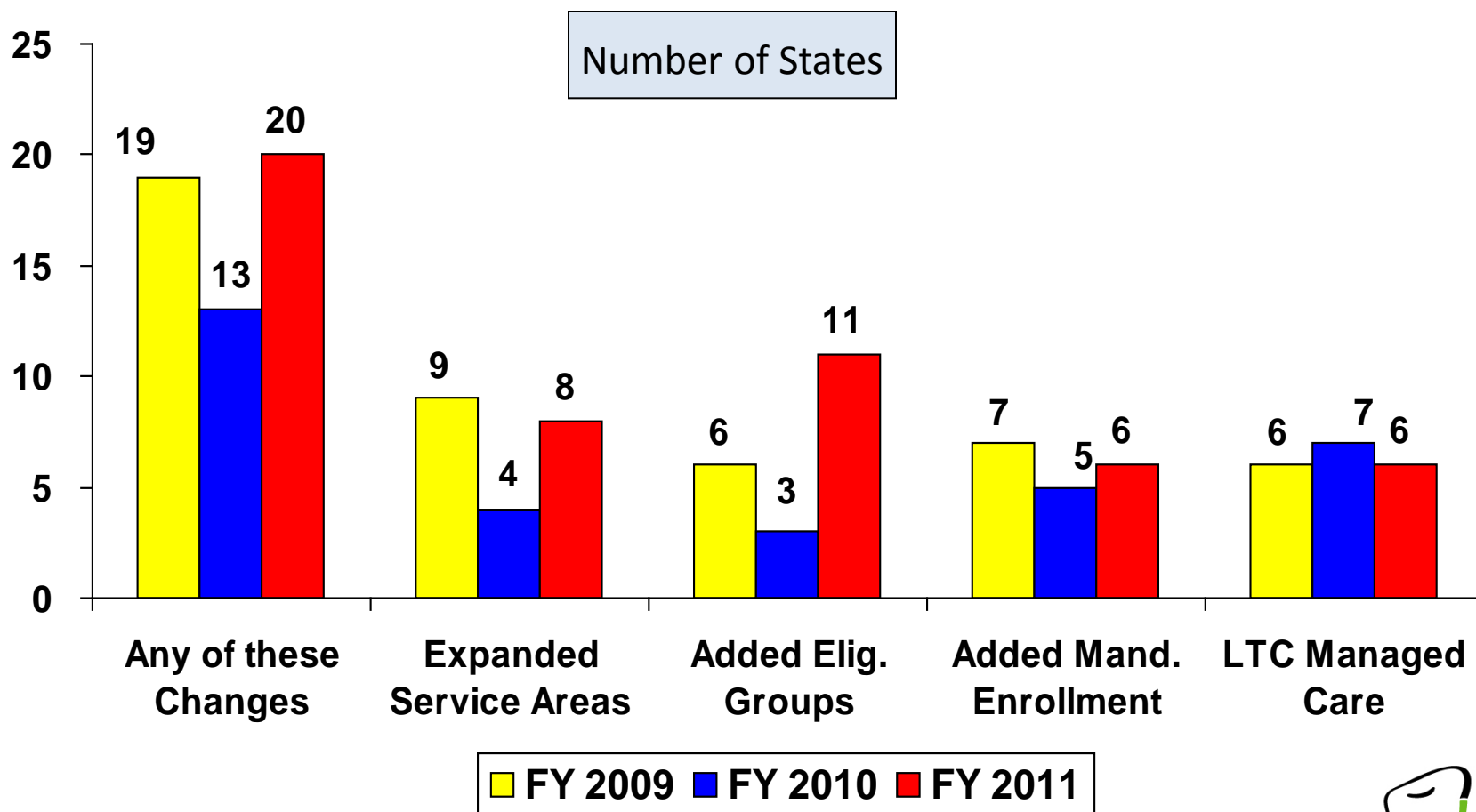
Source: Kaiser Commission on Medicaid and the Uninsured; Feb, 2011

Cost Containment Actions Taken/ Proposed by States 2011-2012

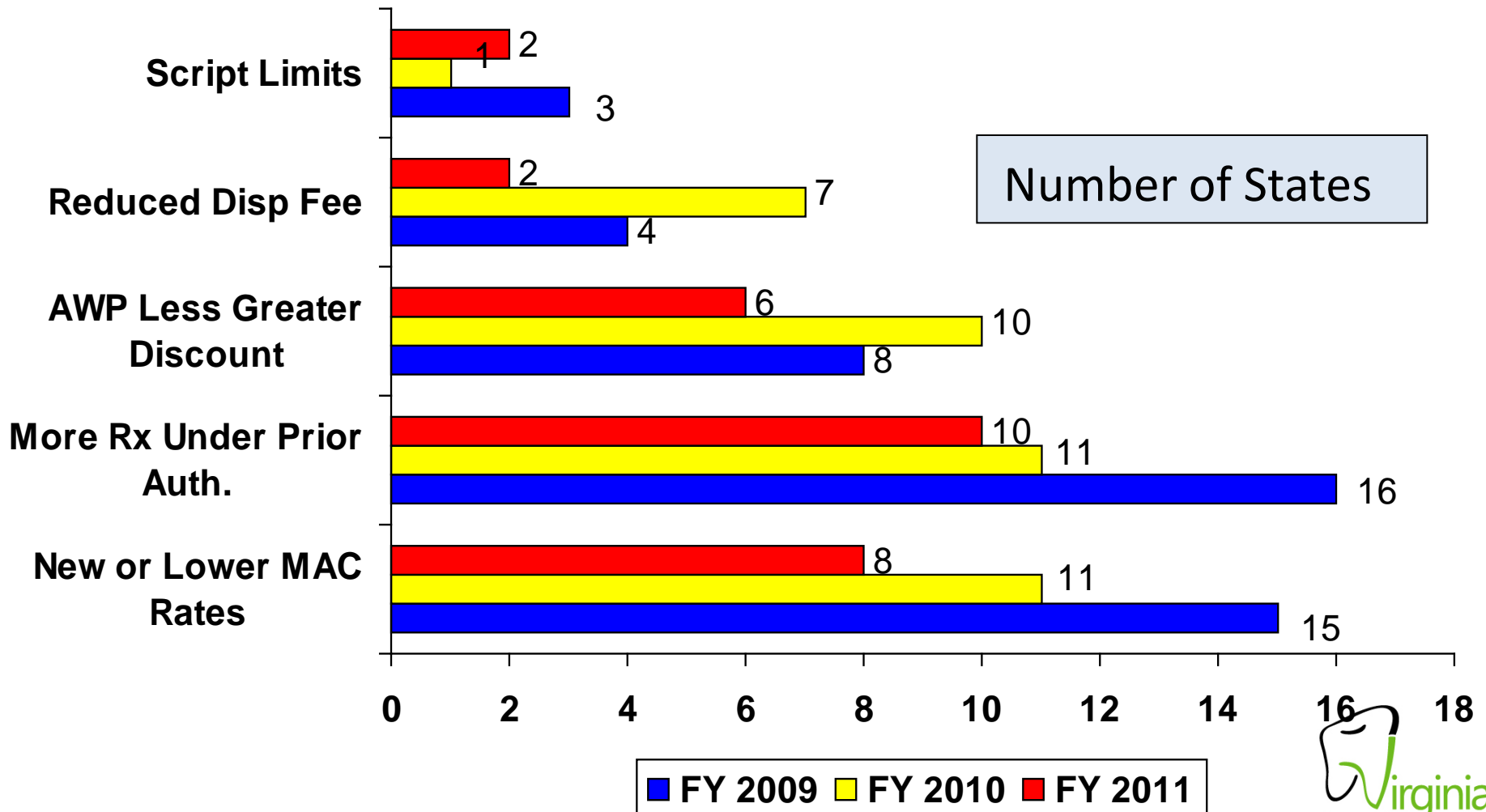


* Includes new benefit limits and elimination of some benefits; some states reported both. States also reported other various actions for both FY 2011 and FY 2012 not reported here

Medicaid Managed Care Changes: FY 2009-2011



Medicaid Rx Drug Policy Changes: FY 2009-FY 2011



States Are Still Wrestling With Severe Budget Problems

- Mid-Year Budget Cuts
 - FY11: through first six months 23 states made \$7.8 billion in cuts
 - FY10: 39 states made cuts totaling \$18.3 billion
 - Cuts primarily in K-12 and Higher Education; Medicaid and Corrections also included
- States had to close budget gaps of over \$430 billion in FYs 2009, 2010 and 2011.
- FY12 and FY13 present continuing challenges as revenues remain below 2008 levels

The ARRA “Cliff” Contributes to States’ Budget Issues

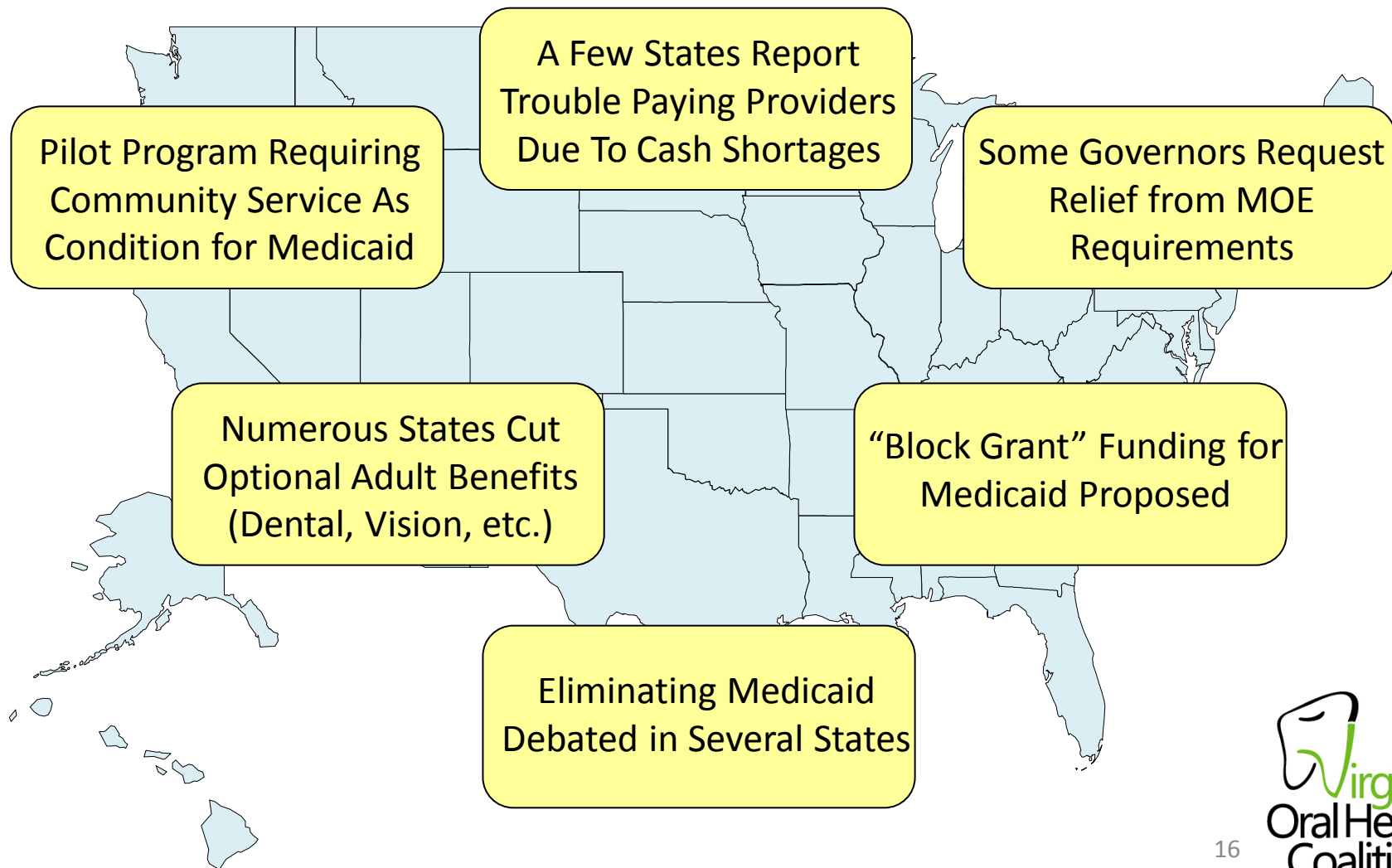
- Temporary increase in FMAP ended June, 2011; reduces federal Medicaid funds by \$66 billion in FY12
- Nationally, Governors’ proposed budgets for FY12 include a 18.6% increase in state Medicaid funds and 13% reduction in federal Medicaid funds.
- State growth in Medicaid is well above economic growth forecasts for FY12



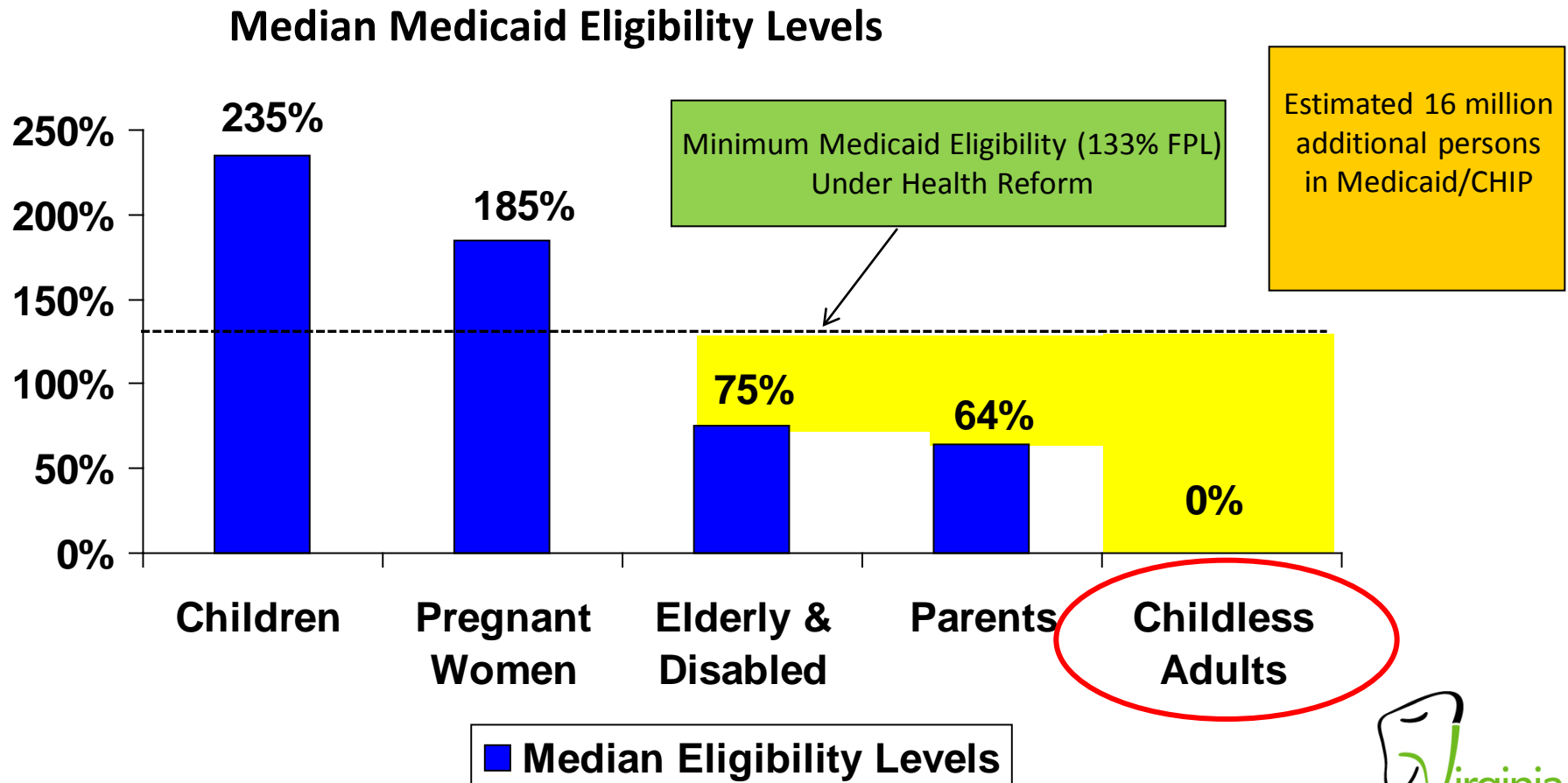
Few “Digestible” Choices Remain On The Cost-Cutting Menu

- States have focused on provider rates, provider taxes and assessments, tighter authorization requirements, utilization controls, managed care expansions, benefit restrictions, fraud/abuse strategies and numerous administrative cuts
- Maintenance of Effort (MOE) requirements in stimulus legislation and PPACA restrict states’ ability to tighten eligibility criteria
- Actions that received little attention in the past are now part of the national dialogue

Controlling Medicaid Spending: *The Dialogue has Changed....*



Health Reform Includes Significant Medicaid Expansion

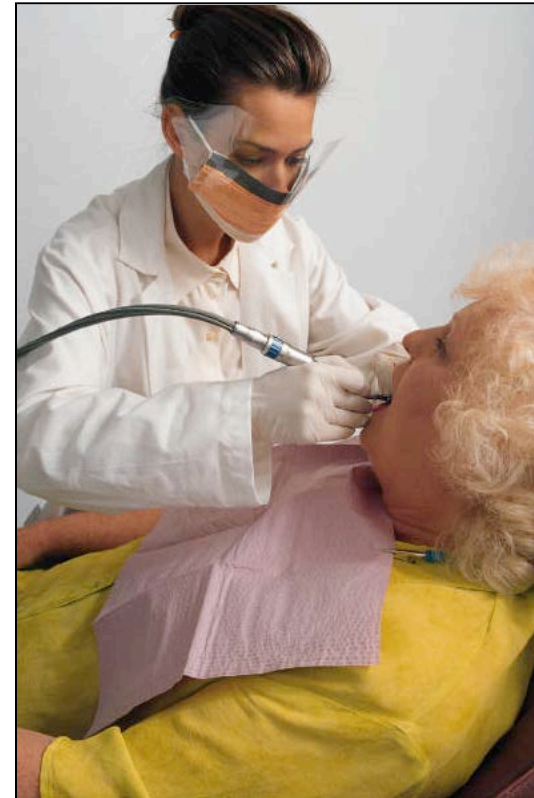


Key Issues Facing Medicaid Agencies In Health Reform

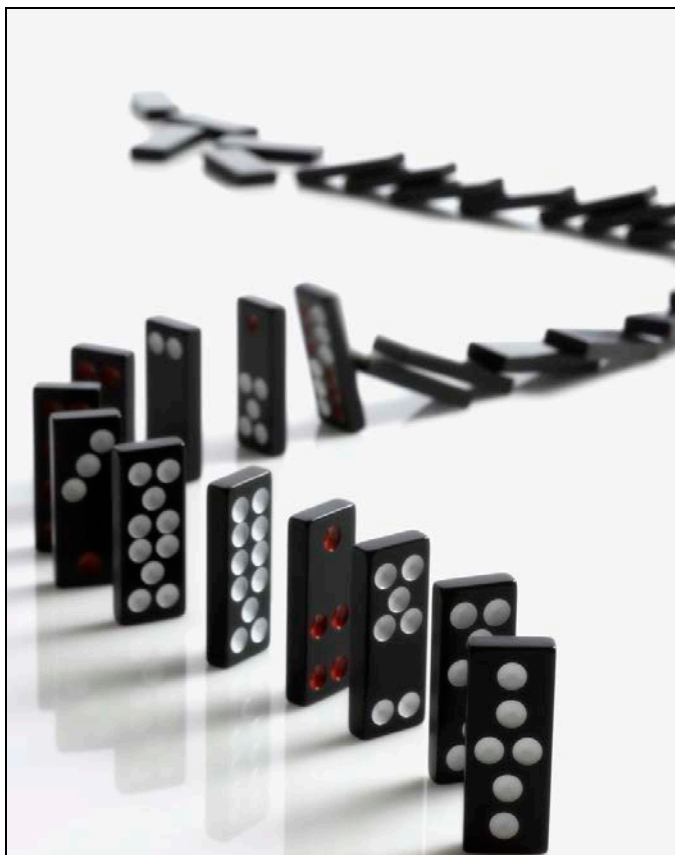
- Significant new responsibilities with dwindling staff and fewer resources
- Cost of expansion once 100% FMAP ends; also, cost of currently eligible, but not enrolled
- Interfaces and integration with insurance “exchanges”
- Provider access issues

Despite Tough Economic Times: Oral Health Has Great Momentum

- Increasing national attention on the need to improve access to care for the underserved
- Emphasis on the importance of *oral* health as a critical component of *overall* health
- Increased focus on prevention and disease management



Keep The Momentum Going....



- Push for improved access, care, funding and policy; dental benefits available on state exchanges
- Capitalize on recent achievements
 - Partnerships/collaborations between policymakers, payers, providers, philanthropy, advocates
 - Medical/dental collaboration
 - CMS Oral Health Initiative
 - U. S. National Oral Health Alliance